6th ANNUAL REPORT
HOUSING AND HOME FINANCE AGENCY

Calendar Year

1952

★

Office of the Administrator
Home Loan Bank Board
Federal Housing Administration
Public Housing Administration

THE HOUSING AND HOME FINANCE AGENCY

1626 K Street NW.

Albert M. Cole, Administrator

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Public Housing Commissioner
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Administrator of Veterans' Affairs (or his designee)
Secretary of Commerce (or his designee)
Secretary of Labor (or his designee)
Federal Security Administrator (or his designee)
Secretary of Defense (or his designee)

6th ANNUAL REPORT

U.S. HOUSING AND HOME FINANCE AGENCY

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LETTER OF TRANSMITTAL

Sirs: I have the honor to transmit herewith the Sixth Annual Report of the Housing and Home Finance Agency covering the housing activities of the Federal Government for the calendar year 1952.

In this Sixth Annual Report, the Housing and Home Finance Agency records the activities and accomplishments of the Office of the Administrator and the three constituents of the Agency—the Home Loan Bank Board, the Federal Housing Administration, and the Public Housing Administration, as well as the National Housing Council.

Sincerely,

Albert M. Cole,
Administrator.

The Speaker of the House of Representatives,
Washington 25, D. C.
President, United States Senate,
Washington 25, D. C.

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INTRODUCTION TO PART I

In Part I of the Sixth Annual Report of HHFA, the Housing and Home Finance Administrator, as the Government's chief housing officer and Chairman of the National Housing Council, presents summary data on the Government's role in housing as well as information on housing activities in general. This part of the report includes data on the overall activities of HHFA, as well as details on the activities of the Office of the Administrator. Specific detail on the programs and activities of the Home Loan Bank Board, the Federal Housing Administration, and the Public Housing Administration will be found in Parts II, III, and IV, respectively, of this report. The material presented in Part I deals with both the housing economy in 1952 and HHFA programs and activities. It is preceded by a chronology of significant events in housing in 1952 and is followed by three appendixes: Appendix A contains various statistical and fiscal tables—in addition pertinent statistical tables are included in the text; Appendix B lists Executive messages and Federal legislation affecting housing in 1952; Appendix C lists HHFA publications.

CHRONOLOGY OF SIGNIFICANT EVENTS IN HOUSING, 1952

2–6 Roundtable conference on mortgage finance held by Senate Banking and Currency Committee with Government officials and mortgage bankers.

2–20 HLBB authorized Federal Home Loan Banks to exercise own discretion in removing general restrictions on credit for expansion purposes, which had been applied in July 1950, in cooperation with the Voluntary Credit Restraint Program of the Federal Reserve Board.

3–1 HLBB submitted to Congress final report of the operation, realization, and liquidation of the Home Owners' Loan Corporation.

3–6 NPA Order M–100 became effective, regulating new housing construction separate from overall construction and increasing amounts of steel and certain other housing materials which might be self-authorized.

4– Staff of Senate Banking and Currency Committee reported to the Committee on the staff's "cross sectional, grass roots review of the operation of the various housing programs." The staff reported that the Wherry-Maybank Act had provided more military housing in the same time-period than ever before in history; that no Federal program had done more to raise the standard of living in America or to promote the American ideal of widespread ownership of property than the Federal Housing Administration; that the Federal Government would be called upon for considerable assistance in the provision of community facilities; that satisfactory progress was being made on the urban redevelopment program; and that the removal date of December 31, 1952, in Section 313 of the Lanham Act for the removal of temporary World War II and veterans' housing should be extended in order that this housing could be used for defense purposes.

4–2 FNMA discontinued acceptance of further over-the-counter deliveries of mortgages other than those disaster, military, and defense housing mortgages which are included in outstanding commitment contracts or which are qualified for purchase over the counter out of the $600 million set-aside fund.

4–8 President signed Public Law 301 defining the authority of the FBI to investigate robberies and holdups of insured State-chartered associations as well as Federal savings and loan associations.

4–9 Public Law 309, 82d Congress, increased by $52 million FNMA's advance commitment authorization for the purchase of mortgages on defense, military, and disaster housing.

4–18 Public Law 325, 82d Congress, authorized up to $100 million additional funds for direct home and farmhouse loans to eligible veterans under Title III of the Servicemen's Readjustment Act of 1944, as amended.

4–24 Public Law 326, 82d Congress, appropriated an additional $25 million for disaster relief, to be expended without regard to the limitations in Section 8 of Public Law 875, 81st Congress.

4–29 Housing and Home Finance Administrator published new Priorities and Allocations Order 1, establishing procedures for requesting reconsideration of, or appeal from, an administrative decision on CMP applications.

5–13 President signed Public Law 337 permitting Federal Credit Union funds to be invested in State-chartered savings and loan associations whose accounts are insured by FSLIC. (Federal associations already are permitted to receive such investments.)

6–3 Public Law 370, 82d Congress, authorized advance or progress payments of capital grants under the slum clearance and urban redevelopment program.

6–5 Public Law 375, 82d Congress, Third Supplemental Appropriation Act, 1952, appropriated to HHFA $12.5 million for defense housing, $9.375 million for defense community facilities and services, and $1.125 million for Alaska housing.

6–11 Regulation X (Amendment No. 10) and companion regulations governing FHA and VA amended to permit more liberal credit terms for 1- to 4-family housing and for multifamily housing.

6–18 NPA Order M–100 and CMP Reg. 6 revised to increase self-certification of aluminum and copper for small dwelling units, etc.

6–30 Public Law 429, 82d Congress, Defense Production Act Amendments of 1952, approved. (See Appendix B for details.)

7–3 Public Law 450, 82d Congress, the Emergency Powers Continuation Act, continued until April 1, 1953, certain technical authority concerning the operation of existing Lanham Act housing and authority to give preference to Korean veterans, in addition to other veterans, in the occupancy of Title V Lanham Act housing.

7–5 Public Law 455, 82d Congress, Independent Offices Appropriation Act, 1953, limited PHA, in regard to the commencement of construction of projects, to 35,000 dwelling units during fiscal year 1953 and imposed other limitations on the low-rent program. (See Appendix B for details.)

7–9 NPA policy memorandum No. 2 granted permission to commence construction where applicant had enough carbon steel on hand to complete building project. Applied to all types of construction except recreational, entertainment, and amusement.

7–14 Public Law 531, 82d Congress, Housing Act of 1952, signed by President. (See Appendix B for details.)

President issued Executive Order 10373 requiring the Secretary of Labor to estimate the rate of housing starts and delegating to the Federal Reserve Board the authority to announce (subject to HHFA concurrence) the beginning or termination of a period of relaxed credit controls.

7–15 Public Law 547, 82d Congress, Supplemental Appropriation Act, 1953, appropriated $4 million for Alaska housing, $8 million for advances on capital grants to aid slum clearance and urban redevelopment, $50 million for defense housing.

7–16 Public Law 558, 82d Congress, extended FSLIC insurance to public and trust funds not in excess of $10,000 for each separate account.

Public Law 550, 82d Congress, amended the Servicemen's Readjustment Act of 1944, as amended, to extend the loan guaranty program to veterans of the Korean conflict. Provisions were added to the Act to help protect veterans against defective housing financed under the VA home loan program.

Regulation CR 3 revised to make additional classes of persons eligible for programed defense housing.

7–18 FNMA resumed issuing advance commitments for the purchase of eligible FHA-insured and VA-guaranteed mortgages covering defense, military, and disaster housing in accordance with the provisions of Public Law 531.

7–22 Home Loan Bank Board observed twentieth anniversary of its creation.

7–24 HHFA served as cosponsor of the University of Michigan's Fifth Annual Conference on Aging.

7–25 Defense Mobilization Order No. 20 of the Office of Defense Mobilization established the Defense Areas Advisory Committee and revised procedures for the designation and certification of critical defense housing areas.

8–4 NPA increased quantities of copper and aluminum which might be self-authorized for housing construction.

8–5 Regulation CR 5 issued governing Federal aid for private construction of defense housing in critical defense housing areas in territories and possessions of the United States.

9–2 FNMA resumed over-the-counter purchasing of eligible FHA-insured and VA-guaranteed mortgages on nondefense and nondisaster housing.

President increased the loan authorization for college housing projects from $20 million to $60 million for fiscal year 1953.

9–8 HLBB announced termination of corporate existence of the United States Housing Corporation. Created during World War I, the USHC was transferred to HLBB January 15, 1947, for liquidation.

9–16 Regulation X suspended, and downpayment requirements relaxed on home loans aided or made by the Federal Government.

Procedure changed for filing applications for construction of defense housing programed after this date—hereafter a builder applies for units he wishes to build by filing applications for Title IX mortgage insurance.

10–1 FNMA inaugurated a program whereby Purchase Funds are established to be available for over-the-counter purchases of eligible mortgages from institutions that purchase nondefense and nondisaster mortgages from FNMA's portfolio.

10–3 NPA announced relaxations of construction regulations to be effective May 1, 1953, increasing amounts of controlled materials that might be self-authorized for commercial and most other types of construction and lifting the ban on recreational construction. NPA Order M–100 revoked and its provisions incorporated into CMP Reg. 6.

10–10 Regulation CR 3 amended to provide that no further applications for defense housing under the regulation will be accepted after October 9, 1952, and directs applicants to FHA with applications relating to the construction of defense housing.

Regulation CR 5 repealed, since applications relating to the construction of defense housing may be filed with FHA.

10–11 Regulation CR 2 amended to provide that no further applications for defense housing under the regulation will be accepted after October 20, 1952, and directs applicants to FHA with applications relating to the construction of defense housing.

11–30 FSLIC reported that, for the first time since its creation, the State-chartered associations insured by the Corporation exceeded the number of Federal associations. (Insurance is mandatory for Federal associations but is optional for State-chartered associations.)

12–1 HHFA Field Offices of Region I and Region II combined, with the present office of Region II in Philadelphia serving both areas.

12-8 Rains Subcommittee of the Senate issued report of its investigation into guaranteeing and insuring of loans by HHFA and VA.

12-10 NPA announced relaxation of construction regulations to be effective January 1, 1953, instead of May 1, 1953, as previously announced. Amounts of steel and copper that might be self-authorized for residential construction were increased. Recreational and entertainment construction was removed from the prohibited list.

12-30 FHLB System membership set new record, passing 4,000 mark.
House Committee on Government Operations issued report on "Military Housing Construction in Alaska."

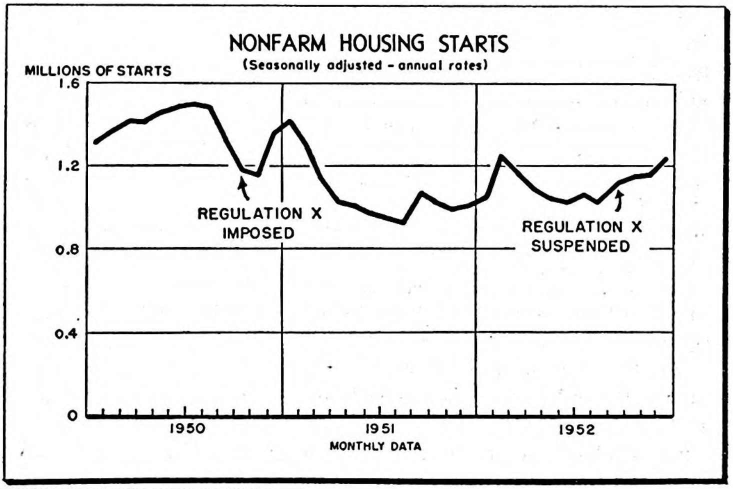
SECTION 1: THE OVERALL HOUSING PICTURE IN 1952

Chapter I

THE HOUSING ECONOMY—A SUMMARY VIEW

A. 1952 Progress

Despite the limitations imposed on the entire economy as well as on many major housing activities by the continuing defense build up, 1952 was another year of progress toward the goal established by the Congress in the 1949 Housing Act: "The realization as soon as feasible . . . of a decent home and a suitable living environment for every American family." During the year there was, on the whole, a maintenance of the high rate of housing activity characteristic of the post-war period. Even though credit restraints were in effect for two-thirds of the year, new housing starts were at the second highest level in our history, funds invested in housing were at an all-time dollar high, and Government programs were at close to the top levels consistent with the defense mobilization effort. A major improvement was evident in defense housing—one of the most difficult 1952 problems.



SOURCE: Bureau Of Labor Statistics and HHFA

CHART 1.

During the year, there was a continuingly effective coordination of Government housing purposes and resources through a central agency, the Housing and Home Finance Agency, although there were few major changes in structure or functions in the Government programs.

At the year's end there were still many problems in housing, including some that have been with us for a long time: costs and broader distribution of housing, community development and redevelopment, to name but a few. Much needs to be done, including continued research, to make effective improvements in our present use of materials and of our vast, though not limitless, resources. We are still involved in a great defense effort and our housing activity must continue to be tempered to fit the needs of the defense effort. However, we have learned that our housing problems are not insoluble, and 1952 provided effective testimony that we can and are making progress toward improving our housing situation.

B. Significant 1952 Developments

By the end of 1952, the homebuilding situation was considerably different from that 12 months earlier. At that time, materials were in tight supply as the result of defense requirements, and emergency credit restrictions were in force to curb inflation. Progressive relaxations of restrictions through the year reflected a generally better materials and financing situation, costs remained stable through much of the year, and by year's end private homebuilding faced a generally more favorable outlook than at any time since the onset of the Korean crisis.

Over 1.1 million new homes were started during 1952, making it second only to the volume of 1.4 million in 1950. In the Defense Production Amendments of 1952, the Congress provided that credit restrictions be suspended when starts, seasonally adjusted, fell below an annual rate of 1.2 million for 3 consecutive months. This occurred in June, July, and August, and consequently virtually all restrictions were removed in September except for those relating to maturities and a 5-percent downpayment on Government-aided home loans.

About 95 percent of the starts were privately financed and nearly two-fifths of these were aided by Federal Housing Administration mortgage insurance and Veterans Administration home loan guaranties. On the basis of applications for FHA home mortgage insurance and requests for VA appraisals—each up nearly two-fifths—increases were indicated in 1952 homebuilding activity under both programs. Mortgages outstanding under these two programs accounted for about two-fifths of the $58 billion total home mortgage debt outstanding at the end of the year (1- to 4-family homes).

The all-time record set in 1952 of over $18 billion in nonfarm mortgage recordings (recordings of $20,000 or less) reflected a generally adequate supply of mortgage funds, although there were reports of tightness in some areas and for certain types of credit such as the VA-guaranteed loan. An important contribution to this vast lending volume was made by the savings and loan industry, the major portion of which is affiliated with the Federal Home Loan Bank System; savings and loans accounted for more than one-third of total home mortgage lending—the largest proportion of any category of lenders in the market. Also, of considerable importance in mortgage market activity during the year was the Federal National Mortgage Association which, with an expansion of funds for its secondary market operations, provided support for Government-insured or guaranteed loans through its purchases of $538 million in such mortgages. FNMA aid was particularly valuable in the defense housing program.

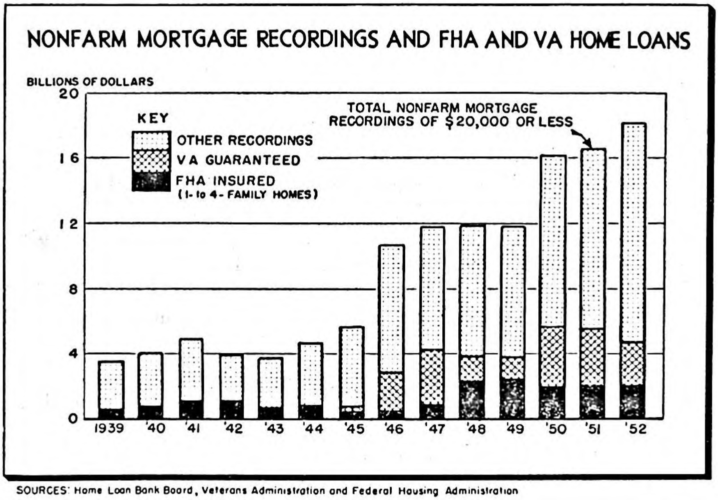


CHART 2.

One of the most critical 1952 problems was the provision of housing in defense areas. As required by Congress, the major share of the job was assigned to private industry. While there was an excellent response to the program in terms of builders' applications, in many areas financing was difficult. Special aids, including FNMA advance commitments authorized by the Congress in midyear, eased this problem somewhat, and by year's end nearly half of the 98,000 programed units were under way or completed. An additional 16,140 units of temporary defense housing had been assigned for Federal construction, mostly at military installations.

Also in the defense picture was FHA's Title VIII, the so-called Wherry Act, military housing under which 59,748 units had been started by the end of 1952 and $476 million in mortgage insurance written. Moreover, considerable progress had been made in the design and testing of demountable housing for defense purposes.

To aid hard-pressed local communities in critical defense areas to provide needed sewer, water, and other facilities, 59 projects in 34 critical defense areas were approved by the HHFA Administrator with total Federal allocations of $18.4 million, about three-fourths of it from funds appropriated by the Congress to HHFA, the balance from funds appropriated to the Federal Security Agency.

Other HHFA Programs

In order to keep Government housing activities adjusted to the requirements of our defense economy, all programs have been under continuing review since the outbreak of trouble in Korea. In some instances, this has resulted in restrictions on certain types of activity. In others, it has been possible to carry on the program either in support of, or with little or no conflict with, defense requirements.

Low-rent public housing carried on by local governments with Federal aid was limited by the Congress to 50,000 units in fiscal year 1952 and 35,000 units in subsequent fiscal years. About 55,000 low-rent units were put under construction during the calendar year, bringing the total to date under the 1949 Housing Act to 156,000.

With 253 localities participating, the program of Federal aid to communities for slum clearance and urban redevelopment continued to expand during the year. By the end of the year, 186 communities had initiated their local programs, including 15 which had progressed to land assembly and clearance and 65 others which had reached the stage of final planning of delineated projects.

By the end of 1952 the housing research program, authorized under the 1949 Housing Act, was able to report contract work completed on 56 of the 89 contract projects. About 50 publications have already been or are about to be issued, making the results of such research available to the industry and the public.

During the year an important function of the program of loans for prefabricated housing was assisting borrowers to gear their operations to meet defense needs. At year's end the active loan portfolio consisted of $9.3 million to 17 borrowers. An estimated 12,350 units are being or have been aided through this program.

Progress was also evident during the year under a program of aids authorized in the Alaska Housing Act to meet serious housing shortages in Alaska. By year's end, loan commitments by the Administrator to the Alaska Housing Authority totaled $12.8 million. Special FHA mortgage devices and FNMA assistance were also effectively used during the year. In all, about 6,000 units were being or had been assisted in Alaska under this program since 1949.

The college housing program which is now restricted to meeting needs arising in connection with defense-related activities had approved, by the end of the year, 43 projects with 12,643 dwelling accommodations. About $41 million has been committed or earmarked under this program.

Under the program of school construction carried on in cooperation with the Office of Education, 643 projects had been recommended for approval during 1952 by the Housing Agency, bringing the total to 1,040 school projects with accommodations for about 375,000 pupils. Nearly two-fifths of these projects have already been placed under construction.

A dramatic aspect of Agency activity during the year involved disaster relief in flood, drought, and storm areas. By the close of the year plans were being made to transfer this activity to the Federal Civil Defense Administration. In the 2 years during which the Housing and Home Finance Administrator has administered this program as the Emergency Relief Coordinator, presidential allotments of $35.7 million have been made for disaster relief in 31 designated areas in 30 States and Alaska.

Throughout the year continuing emphasis was placed on the need for cost reduction and materials conservation. The Housing Agency stressed the importance of this aim not only through its public statements and analyses but also through the research program. Special aids to stimulate more middle- and low-income housing through FHA insurance were also effectively used during the year. Under the Section 213 cooperative housing provisions authorized in the Housing Act of 1950, applications covering 79,343 units had been received by December 31, 1952, and $200 million in mortgage insurance had already been written, with about $73.2 million in commitments and statements of eligibility outstanding at the end of December. Under Section 8 of Title I, permitting 95-percent mortgages up to $4,750 ($5,600 in areas where the cost levels so require), encouragement was given to providing lower priced housing in outlying areas. By the end of December applications had been received for 22,586 units.

A number of other Government housing activities carried on during the year involved, primarily, maintenance and disposition of existing programs rather than new activity. Disposition of Lanham Act housing had been slowed down during the year while the remaining 283,000 housing units were examined to ascertain their potential defense usefulness. By year's end it had been decided to proceed as rapidly as possible with the disposition of about 40 percent of these, since such action would not adversely affect defense activity. The program of Lanham public works projects, which has been in a liquidation status since the end of the war, is nearly completed; only 22 of the more than 1,500 projects originally provided were still available for disposition. The first and second advance planning programs were also in a liquidation status, with no new advances being made. By the end of 1952, planning had been completed on more than nine-tenths of the 7,835 applications approved. Work had been started on over 3,000 projects, and there remained a reserve of non-Federal public works of over 4,500 projects with estimated construction cost of $2.4 billion.

Importance of Homebuilding to the National Economy

The Housing Act of 1949 declares that production of housing in large and sufficient volume "is necessary to enable the housing industry to make its full contribution toward an economy of maximum employment, production, and purchasing power."

Precise statistical measurements of the contribution at any point in time are not available. Notwithstanding, the very magnitude of expenditures on new homebuilding places it among the key industries which shape the nation's economic well-being. In the single year 1952, these expenditures approximated $11.7 billion. This was some 3.4 percent of the gross national product and accounted for about 23 percent of gross private domestic investment during the year. By comparison, the value of factory sales of passenger cars, trucks, and buses approximated $9.0 billion; gross revenues of the nation's Class I railroads amounted to some $10.7 billion; the value of the output of all mines in continental United States approximated $13.5 billion; total merchandise exports, including military shipments, amounted to some $14.8 billion; and imports, a little more than $10.6 billion.

Direct expenditures for homebuilding in 1952 meant more than 2 million man-years of employment for residential building labor on- and off-site, including manufacturing labor engaged in the production of materials, and about $7.5 billion in on- and off-site payrolls. Homebuilding in 1952 generated some $8 billion of home loan business for banks, insurance companies, savings and loan associations, and other lending institutions. It meant sales of large quantities of construction materials and household equipment to homebuilders; for example, approximately $1.2 billion of lumber, some $275 million of brick and cement, and around $400 million of household fixtures, equipment, furniture, and furnishings (other than those customarily supplied as part of the house).

Implicit in the Housing Act policy declaration is the recognition that the homebuilding process generates a wide variety of economic activities in other fields. The impact can be felt almost everywhere; in the forests and mines, in the factories, to say nothing of the transportation and distribution facilities of the nation. Homebuilding makes its influence felt in such varied fields as furniture and housefurnishings, automobiles, insurance, real estate brokerage, and mortgage financing. It conditions the distribution of appliances and equipment and the sales of such utility services as gas and electric power. It even shapes the volume of construction of new shopping centers, streets and highways, schools, churches, hospitals, and recreational facilities.

In aggregate one of the nation's largest industries, homebuilding is nevertheless a "small business" operation, with the major share of its activities carried on by thousands of small-volume builders, contractors, and suppliers. An HHFA-sponsored study of the residential construction industry in 1949 showed that there were 119,000 firms engaged in homebuilding, not including subcontractors or persons building for their own occupancy.

It is this aspect of the homebuilding process as well as its overall magnitude which sets it apart from other major activities and accents its importance to the well-being of communities the nation over and, through them, to the economy as a whole.

C. Housing Legislation in 1952

Congressional action during the year included measures to aid defense housing, limitations upon low-rent public housing, revisions in real estate credit controls, changes in FHA authorizations, and measures designed to improve the administration of existing laws. Congressional committees made grass-root examinations of housing programs in operation and devoted considerable time to studies of mortgage financing.

The primary focus of legislative action was on measures to aid in meeting housing and community facilities needs in critical defense areas. Early in the year, the Housing Administrator had called attention to the lack of sufficient private financing on a timely basis for private defense housing. In testimony to the Congress in May, he proposed increased authorization for FNMA to make advance commitments for purchase of defense housing mortgages. The danger that FNMA might turn into a source of primary financing was stressed by him, and additional restrictions for FNMA's long-range operations were suggested. Additional authorizations for community facilities projects and for federally constructed defense housing were also recommended, as was greater flexibility in the use of unused FHA authorizations and increases in its authorization for insuring defense mortgages. Among other recommendations were the extension of basic housing laws to the territory of Guam and increases in the loan authorization for the Alaska housing program.

Most of these recommendations were incorporated into Public Law 531, the Housing Act of 1952, the most important housing legislation of the year, which became law on July 14, 1952 (see Appendix B for details on this law).

Other important legislation during the year was contained in the 1953 appropriation act which restricted authorizations for the construction of low-rent public housing to 35,000 units in fiscal year 1953 and subsequent fiscal years unless a greater number were authorized by Congress. The act also prohibited the occupancy of low-rent public housing by a person who is a member of an organization designated as subversive by the Attorney General. In the conference reports on this provision, it was urged that the same principles be applied in so far as practicable to all federally aided housing.

In extending the Defense Production Act of 1950, the Congress provided for continuing real estate credit restrictions and made mandatory their relaxation when housing starts volume in any three consecutive months fell below a 1.2 million annual rate, seasonally adjusted. Authority for priorities and allocations of scarce materials was extended for another year.

D. Housing—the Challenge and the Outlook

The Background

The years since the end of the war have seen the greatest era of homebuilding in our history. In that time 7 million new permanent nonfarm housing units have been built, to say nothing of the large volume added through conversion and rehabilitation. The distribution of good housing to the mass market has been broadened and home ownership has increased. Progress has been made in design, materials, production, and financing. A broad-scale attack on the elimination of our slums has been undertaken, research activity has been expanded, and areas of special housing need have been identified and measures have been and are being developed to aid in meeting them.

Government resources in the housing field have been more effectively coordinated through a central agency. A better organized and more flexible housing industry, aided and stimulated by various Government programs in these years, is now a part of the economic scene. The public, the industry, and the Government are in closer accord and understanding on our basic needs and opportunities, and a solid basis for teamwork has been established. We have developed a national housing policy that assigns the primary role in meeting our needs to private enterprise and the local communities, to be supplemented by the Federal Government in areas where private industry cannot effectively operate.

We have developed an enlarged concept of housing which recognizes not only the extent of our needs and our capacity for meeting them but also the interrelation between housing and community living—better and healthier neighborhoods, adequate schools, transportation, shopping, and other community facilities. All in all, these postwar years have been a period of considerable progress.

The Problems

The Housing Administrator during the year repeatedly called attention to remaining tasks. As our knowledge and experience have increased so has our awareness of the problems. While we have taken the keen edge off the shortage of shelter, there is still a large shortage of the decent shelter required to meet the nation's needs. Millions of families still live in our great slums or in substandard housing scattered throughout the suburbs and countryside. We must continue to improve the distribution of housing, particularly so as to meet the needs of lower income and middle income families. There has been too much of a trend in recent years to two-bedroom units, and many larger families are encountering difficulties in finding adequate housing that they can afford. There are the special problems involved in satisfying the housing needs of racial minorities—a large and promising market that has been too long neglected. There are also many difficult problems in meeting the housing needs of migrant workers. As the human life-span increases we face up to new problems in designing and providing satisfactory housing for our elder citizens. Serious problems are already being encountered in rehousing persons now living in slum areas slated for clearance under Title I and Title III of the 1949 Housing Act.

There is a continuing threat of inflation with its accompanying increase in housing costs and prices. The Administrator pointed out that while prices were relatively stable in the past year, there can be no lessening in the need to reduce housing costs through expanded research and improved production and financing techniques so as to assure a large and effective housing market, the existence of which is a necessity for continuing growth.

There is the need for enlarging our research activity with further development of the Government's role as a central clearing house, correlating results and encouraging more research by nongovernmental sources.

There is a need for continuing the progress already made in the development and more-widespread use of alternate materials and improved production techniques, in the application of factory methods to homebuilding, and in simplifying and improving financing procedures and the mortgage instrument.

Among the more immediate problems in the financing field, at the end of the year, was the question of what constituted an "effective" interest rate on Government-insured and -guaranteed mortgages—what is the lowest interest rate which is sufficient to make possible the desired production result. While there seems to have been during the year an adequate supply of funds in most areas for the FHA home mortgage program at 4¼ percent, reports have persisted of difficulties in obtaining VA-guaranteed 4-percent home loans without substantial discounts. The necessity for correlating these rates with general Government fiscal policy is another area demanding close study.

Our suburbs and outlying areas have grown so fast in recent years that they have frequently outstripped available facilities and resources. Sewers, water, schools, health facilities, fire and police protection, and transportation are all too frequently inadequate in the newer and expanding communities. Better planning for community development is essential and a vast task lies ahead in meeting the public service and social utility needs in the newer housing areas.

In many localities, private builders as well as other business, civic, and social leaders have become aware of the contribution to improved community living possible through the rebuilding of neighborhoods on land being cleared under the Title I slum clearance and urban redevelopment program. But in addition to the redevelopment of hopelessly deteriorated sections of American cities, there must be greater use of effective local programs for the rehabilitation of neighborhoods worth saving and the conservation of neighborhoods that would otherwise become the slums of tomorrow. Along these lines, considerable interest has developed in methods for broadening the use of our credit resources so as to facilitate the improvement of substandard units and thus make for a more efficient use of the existing housing supply.

There is need for simplifying existing Federal housing statutes and for consolidating some of the many separate titles and laws that have been passed to meet special problems or emergency situations.

A similar need exists for improving and simplifying local building regulations so as to take advantage of the latest developments in the fields of codes and zoning.

The Future

We have learned much in these years of the importance of good housing to our national well-being and security and have seen how much progress can be made even under adverse conditions. In 1952 in the midst of a large-scale defense effort, it has been possible to carry forward an overall housing program not seriously retarded by lack of materials and, for the most part, adequately supplied with mortgage funds. The strong well-organized industry now in existence regards as restrictive an annual production that only a decade or less ago it would have regarded as unlikely, if not impossible. At the end of 1952 there still appeared to be a firm market for large-volume production. There is general agreement on the need for better housing at lower costs. The homebuilding industry has evidenced its awareness of this and has aided in the drive for cost reduction by sharing production methods in its "Operation Trade Secret" and through other measures.

We have at the end of 1952 the organization, in both Government and industry, the machinery and methods, the market and the credit resources that should make possible the continuation of the postwar million-a-year rate. While changing defense requirements may affect the outlook, so long as the mobilization effort remains at its present level, there is good reason for assuming that the coming year will see continued progress toward better housing in America.

Chapter II

HOUSING SUPPLY AND NEEDS

A. The Underlying Needs at the End of 1952

Section 301b of the Housing Act of 1948, as amended, requires that the Administrator of HHFA shall "prepare and submit to the President and to the Congress estimates of national urban and rural nonfarm housing needs and reports with respect to the progress being made toward meeting such needs."

The publication by the Bureau of the Census of revised estimates of the probable rate of family formation during the balance of the decade has focused attention anew upon the nation's housing requirements. With the rate of net family formation down to 600,000 new families per annum (compared to 1,250,000 in 1948) and still declining, the question can well be raised as to whether previous estimates of 1,400,000 units a year needed during this decade may have been too high. (See *How Big Is the Housing Job*, published by HHFA, October 1951.)

Actually, earlier estimates of family formation envisaged just such a declining pattern in the trend as that projected by the latest Census figures. As a matter of fact, the current Census estimates of the increase in households during the decade are appreciably higher than those on which the previous estimate of housing needs was based. If anything, therefore, earlier estimates of overall need would seem too low rather than too high. The problem with which we are faced however is that of being able to translate this need into market demand.

Thus, the families that have moved into newly constructed homes during the past several years are among those that were best able to finance improved housing. In the period immediately ahead, however, more attention will need to be directed toward facilitating the provision of adequate shelter for the financially less able.

The 7,000,000 new nonfarm units built since the war, while constituting an important addition to our housing supply, did little more than provide for the net increase in the number of households. Thus, there is reason to believe much of the substandard nonfarm housing at the end of World War II (either dilapidated or, if located in cities or towns, lacking a private flush toilet or bath) is still with us and still being used. If continued and consistent substantial progress is to be made in improving the nation's housing, ways must be found to better the living conditions of those families who are now living in substandard housing. This does not necessarily call for the construction of new dwellings.

Many of the substandard units—which in 1950 totaled 6,300,000—and the additional units that can be expected to deteriorate by 1960 (now estimated at 1,400,000) can be made adequate by repairing and remodeling them or installing plumbing and other facilities. In 1950 more than half of the substandard units had no major structural defects but were urban units which lacked either a private flush toilet or a private bath. To the extent that these units could be brought up to an acceptable standard and units which have been allowed to fall into disrepair could be rehabilitated on an economically sound basis, it would mark a great stride toward improving housing conditions, especially in congested urban centers. A few cities have seen the possibilities in this direction and have initiated programs designed to improve and conserve the existing supply of houses. Also, trade and industry organizations are beginning to give widespread publicity to this approach to the problem.

Although rehabilitation will not always provide a permanent solution, it at least can be useful in neighborhoods where blight is not all-prevailing and is due to or accompanied by violation or absence of health, fire, building and housing codes and ordinances. In such neighborhoods these programs can result in a substantial improvement of housing conditions and, in basically sound areas, can arrest deterioration and prevent to some degree the accumulation of new slums.

Where extensive physical deterioration of structures is accompanied by obsolescent street and land-use patterns, increasing numbers of communities are turning to the replanning and rebuilding of such neighborhoods, frequently with State and Federal assistance to meet the high costs of slum acquisition and clearance.

Market Demand in the Years Immediately Ahead

Despite a decline in the net rate of new family formation and in the opportunities for providing new homes for higher income groups, there will still be a substantial market for new housing and conversion in the years immediately ahead. New family formation alone, on the basis of the new Census estimates, will require the addition by new construction or conversion of about 4,500,000 units or an average of over 600,000 per year during the balance of the decade. Making up for demolition and disaster losses, the replacement of some of our substandard units, providing enough units to afford greater freedom of choice to prospective buyers and renters, together with offsetting losses resulting from removal of temporary housing, are among the factors which should make possible a market demand sufficient to support the current level of homebuilding during the period immediately ahead. Slum clearance and urban redevelopment programs, such as those undertaken through Title I of the 1949 Housing Act, will accelerate the demolition of slums and blighted areas and the need for replacement.

One important element in the market demand for housing arises out of the migration of our population even in the absence of any net change in the total. The quest for new and more promising employment has been an important factor, drawing people from the farms to the cities and from one section of the country to another. According to the Bureau of the Census, over 36 million people or roughly 25 percent of the population moved from one county to another between April 1947 and April 1951. (This figure may include some duplication since a person is counted once for each year in which his county of residence changed.) For almost half of this group the move involved going from one State to another. As these migrants tend to concentrate in centers of industrial activity, they help to swell the demand for additional housing accommodations in the areas of net in-migration. Just how important they can be as a factor in housing demand is best illustrated by Bureau of the Census figures. They show that while the population of the country as a whole increased by 14.5 percent during the decade 1940–50, the population of the West increased by about 40 percent. Also, in a few eastern States, notably, Florida, Maryland, and Virginia, the increase was far beyond what can be attributed to natural increase alone.

Another ofttimes neglected factor in housing demand is that arising out of the mobility of our population within individual communities or trading areas. For any of a host of reasons—the desire for bigger, or newer, or more accessible quarters, the wish for a home of one's own or for a house in the country, the need for a home without stairs, and many others—some 78 million people or nearly half the population, while remaining in the same county, changed their residence during the 4-year period, April 1947 to April 1951. The effect of this type of mobility is clearly reflected in the differential in the rate of growth between cities and suburbs. In 168 standard metropolitan areas (representing 56 percent of the population of the United States), the population in the central cities increased by 14 percent on the average between 1940 and 1950, while in the areas outside the central cities it increased by 35 percent.

In the main, the people making these intra-area moves were accommodated in existing dwellings vacated either by other families moving about in the area or by persons who left the community and migrated elsewhere. Not all of the existing units put on the market in the process are, however, acceptable to the families seeking a change in quarters. Because of size, location, price, or quality, or a combination of these factors, certain of these units fail to meet the market requirements and are passed over. In addition, during the process of these intra-area movements of population, some fraction of the houses in the community are removed from the supply either through demolition or conversion to nonresidential use. As a result, additional accommodations must be provided by either new construction or conversion, just to maintain the necessary housing supply.

The net migration from a great many old and settled to newer or growing communities, together with the internal movement within virtually all communities old or new, contributes to a demand for new dwelling units beyond what would be expected from the natural increase in population or families alone. How long this heavy rate of migration of recent years will continue depends to a considerable extent upon general economic conditions. So long as the economic climate is good, families can reasonably be expected to continue to seek to better their employment opportunities and their living arrangements. Whether the millions of families living in substandard and borderline housing or housing otherwise inadequate for their need continue to live in such housing, even if the most objectionable shortcomings are eliminated, or move to more adequate quarters depends upon whether better housing is available at prices or rents these people can afford. Since the war much of the new housing has been built for families in the upper half of the income scale. If builders can build new housing for lower income levels, a market would seem to be assured for years to come.

There are, in addition, special areas of need and of potential demand which as yet have not been given the attention on the part of builders that they deserve. Probably the most important of these is housing for the nonwhite population. An analysis of the housing of nonwhites in 1940 and 1950 leads to the conclusion that there is not only a vast *unmet need* for better housing among nonwhites but that there is also considerable *unmet market demand.* Gains in employment opportunities in better paying jobs and greater employment security have resulted in an appreciable increase in purchasing power of a large segment of the nonwhite population and a desire for better accommodations than those they now occupy. The translation of these desires into better housing has been limited by the reluctance of many builders and lenders to enter this market. Considerable opportunity would appear to exist for those builders who learn how to tap this large potential source of demand.

There are other special areas which, taken together, represent an appreciable segment of housing demand. One such area is that of housing for the aged. Their problem is not so much that they are ill-housed—though many of them are—as that they are unsuitably housed. The large units they acquired in their earlier years, often 2- and 3-story structures with basements, are not the units best suited for them in their later years. They cling to these large outgrown structures partly for sentimental reasons and partly out of necessity. In either case it is largely the existing alternatives that bind them to the old homestead. If suitable, small single-story units in appropriate environments were available or if ready means for converting large units into small revenue-producing apartments were at hand, there would probably be less need or desire on the part of the aged to continue living in the old structures.

There is, thus, much for the building industry to do. Much of it can be done by private initiative on its own as it has in the past—by simply promoting the type of units in expanding areas that sell best. For much of the demand, however—such as housing for the aged, for larger families, for childless couples, for families in the middle and lower income brackets—it will be important for the industry thoroughly to canvass the character of the existing requirements for housing and then to so mobilize its resources that these requirements may be filled effectively. Techniques for facilitating this task of local or area market analysis are currently being developed by the Agency's Division of Housing Research.

B. Financial Characteristics of the Mid-Century Housing Supply

Information recently made available from the Survey of Residential Financing of the 1950 Census of Housing permits a cross-section view of the financial characteristics of the nation's housing supply. In general, the data show a mortgage debt picture which is markedly better than is usually brought to mind by mention of an outstanding total residential mortgage debt in the neighborhood of $68 billion as of the end of 1952.

Two-Thirds of Mortgaged Units Are in Owner-Occupied Properties

Almost two-thirds (9,890,000) of the 15,135,000 units in properties with mortgages were in owner-occupied, 1- to 4-family properties, and over 90 percent (7,052,000) of the dwelling units in these owner-occupied properties with mortgages on them were in 1-dwelling-unit properties. Despite the importance of Government home-financing aid programs in recent years, most of these mortgaged, owner-occupied, 1-dwelling-unit properties (69 percent) had conventional first mortgages; about 17 percent had FHA-insured first mortgages; and about 14 percent had VA-guaranteed first mortgages.

Among owner-occupied, mortgaged properties having 2- to 4-dwelling units, about five-sixths of the mortgages were conventional; about 13 percent, VA-guaranteed; and about 4 percent, FHA-insured.

In addition to first mortgages, there were junior mortgages on about 8 percent of all the owner-occupied, 1- to 4-family mortgaged properties. Among the owner-occupied, 1- to 4-family mortgaged properties with conventional first mortgages, about 7 percent also had conventional junior mortgages. There were also about 309,000 VA-guaranteed second mortgages which could be made in conjunction with FHA-insured first mortgages until late in 1950.

Average Mortgage Debt on Owner-Occupied Properties

The owner-occupants of 1-dwelling-unit properties having mortgages had an average outstanding mortgage debt equal to $4,100. However, the comparable averages for the different types of mortgages on such homes varied as follows: conventional first mortgages, $3,200; FHA-insured first mortgages, $5,400; and VA-guaranteed first mortgages, $5,900. Longer maturities and more recent origin, as well as larger original loan amounts, of FHA-insured and VA-guaranteed loans than on conventional mortgages contributed to the larger average outstanding debt for the Government-aided mortgages.

Debt Is Low in Relation to Market Value

In relation to market value, as estimated by the owners, the outstanding debt on owner-occupied, 1-dwelling-unit properties was found to be surprisingly low. For properties with conventional first mortgages, the total outstanding debt on the property as a percent of the market value was remarkably low—the median ratio being 27 percent. Less than one-thirtieth of the 1-family owner-occupied homes with conventional mortgages had a total outstanding debt equal to 80 percent or more of the market value. The median percentages of total outstanding debt on the property in relation to market value for 1-family owner-occupied properties with FHA-insured mortgages and VA-guaranteed first mortgages were 62 percent and 70 percent, respectively. More than one-fourth of the properties with FHA-insured first mortgages and almost one-third of those with VA-guaranteed first mortgages had a total outstanding debt equal to 80 percent or more of the market value estimated by the owner.

The outstanding debt-to-value ratios indicate that the mortgage debt is much more secure in relation to market value than is ordinarily supposed. When there have been no cross-sectional data showing debt-to-value relationships of all outstanding mortgage balances as of a given time, there generally has been a tendency to conceive of mortgage debt-to-value relationships in terms of the ratios of original loan amounts to market value. The latter are much higher than the debt-to-value ratios for all outstanding mortgages which are indicated by the cross-sectional data of the Survey of Residential Financing as of mid-1950.

Use of Level-Payment Amortization

The widespread use of the level-payment debt amortization plan also tends to increase the stability of the mortgage market by calling for an orderly gradual repayment of most of the oustanding debt, as compared with the concentrated demand for repayments of the whole amount of nonamortized mortages which was characteristic 25 years ago. All of the outstanding FHA-insured and VA-guaranteed mortgages were fully amortized; that is, on a periodic repayment schedule calling for full amortization. The influence of the Government requirements probably has been significant in the conventional mortgage field, where 77 percent of the conventional first mortgages on owner-occupied properties were amortized. Also, 69 percent of the conventional junior mortgages were on a full amortization basis. The only Government-aided junior mortgages were VA-guaranteed second mortgages and they were all fully amortized.

Mortgagors' Income

There was also some variation in the incomes and in the annual principal and interest payments between the owner-occupants of 1-family mortgaged properties with different types of mortgages. The median income of primary families and individuals owning such properties with conventional mortgages was $3,700, and the median annual total of principal and interest payments on all mortgages on the properties was $432. For owner-occupants of 1-family properties with FHA-insured first mortgages, the comparable median income figure was $4,400 and the comparable median annual total of principal and interest payments was $452; for similar properties with VA-guaranteed first mortgages, the median income was $3,800 and the median annual total of principal and interest payments was $495. The total principal and interest payments are largely a function of the amount and term of the loan, but are related to income from the point of view of ability to pay for housing.

Interest Rates

Interest rates on the outstanding mortgages reveal the distinct advantage to the borrower in the Government-insured and -guaranteed loans. Most of the FHA-insured mortgages carried interest rates of

4.5 or 4.0 percent,[1] and the VA-guaranteed mortgages all had an interest rate of 4.0 percent. The median rate on conventional first mortgages was 5.0 percent. However, on conventional first mortgages on owner-occupied properties, there was greater variation in interest rates than for other types of mortgages. Thus, 24 percent of the conventional first mortgages on owner-occupied properties had an interest rate of 4.5 percent or less; 38 percent had rates of 4.6 to 5.5 percent; and 39 percent had a rate of 5.6 percent or more.

The figures on interest rates, because they present a cross-sectional view of the rates on outstanding mortgage debt as of mid-1950, indicate the interest rates being paid by all owners of mortgaged homes. They are not necessarily indicative of current interest rates on newly made loans. However, the geographic differences in interest rates on all outstanding conventional mortgages found in 1950 probably are indicative of similar current differences which are known to exist.

Thus, for outstanding mortgage loans on all types of residential properties the median conventional mortgage interest rates in the United States and within the four major geographic regions of the country in 1950 were found to be as follows:

Region	Median rate[1] on conventional first mortgage	Median rate[1] on conventional junior mortgage
United States	5.0	6.0
Northeast	5.0	5.0
North Central	5.0	5.0
South	6.0	6.0
West	6.0	6.0

[1] The difference between median interest rates for first and junior conventional mortgages in the United States, in contrast with the lack of such a difference within regions, is explained by the dissimilar distributions of the two types of loans. Thus, 62 percent of the first mortgages were in the 2 low-interest northern regions, whereas only 49 percent of the junior mortgages were in the 2 northern regions. The medians were derived from an unpublished frequency distribution of mortgages by interest rates stated to the nearest one-tenth of 1 percent.

Rental Property Mortgages

Among all the mortgaged rental properties, more than 90 percent of the dwelling units were in rental properties with conventional mortgages. FHA-insured mortgages and VA-guaranteed mortgages are somewhat more important among 1-dwelling-unit rental properties where, together, they accounted for more than one-fifth of such mortgaged properties. Also in rental properties containing 50 or more dwelling units, the FHA-insured mortgages accounted for about 14

[1] The change in the maximum interest rate permitted on FHA-insured small home loans from 4½ to 4¼ percent in April 1950 would not be reflected in these figures which were for mortgages on homes completed by April 1950. The figures also reflect Section 603 small home loans where the maximum interest rate was 4.0 percent under the VEH program.

percent of the dwelling units in mortgaged properties in this large-size category.

Among rental properties with 5 to 49 dwelling units, 15 percent had more than one mortgage; and among those properties with 50 or more dwelling units, 23 percent had more than one mortgage. About two-thirds of the conventional first mortgages and about one-half of the conventional junior mortgages were on a full amortization basis. On conventional first mortgages for rental properties of all sizes, the median interest rate was 5.0 percent. On rental properties with 50 or more dwelling units, the median interest rate on first mortgages was 4.0 percent.

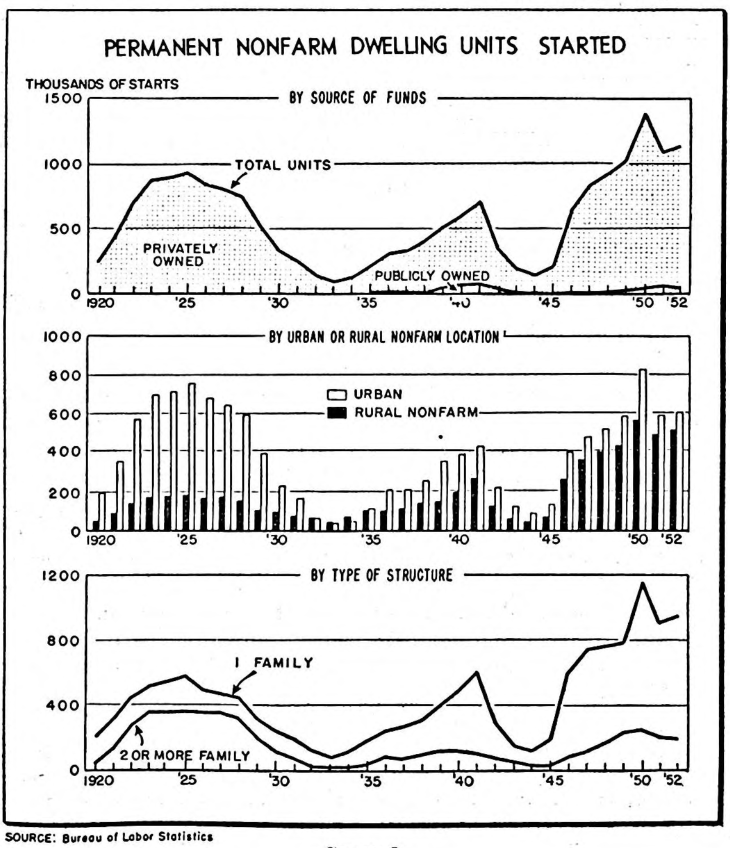
Chapter III

HOMEBUILDING IN 1952

A. Housing Production

Starts Volume

During 1952 a total of 1,131,500 new permanent nonfarm homes was put under construction, the second highest homebuilding year on record—4 percent above 1951 but 19 percent below the 1.4-million-unit peak of 1950. Prior to 1949 no year in our history had recorded as many as a million new home starts; 1952, however, was the fourth consecutive year to exceed that figure.



SOURCE: Bureau of Labor Statistics

CHART 3.

Public housing starts declined nearly one-fifth from 1951, totaling 58,400 units; but private residential building increased 5 percent during the year for a total of 1,073,100 units.

During the early months of 1952, the number of starts was below the previous year's levels but the trend was reversed soon, as the following table shows:

Nonfarm housing starts

[Thousands of units]

Month	Total		Privately owned		Publicly owned	
	1952	1951	1952	1951	1952	1951
12 months' total	1,131.5	1,091.3	1,073.1	1,020.1	58.4	71.2
January	64.9	85.9	61.5	82.2	3.4	3.7
February	77.7	80.6	74.3	76.5	3.4	4.1
March	103.9	93.8	91.1	90.2	12.8	3.6
April	106.2	96.2	97.0	92.3	9.2	3.9
May	109.6	101.0	100.9	97.6	8.7	3.4
June	103.5	132.5	96.9	90.3	6.6	42.2
July	102.6	90.5	101.1	86.8	1.5	3.7
August	99.1	89.1	97.4	88.3	1.7	.8
September	100.8	96.4	99.3	95.3	1.5	1.1
October	101.1	90.0	99.3	88.9	1.8	1.1
November	86.1	74.5	82.3	72.2	3.8	2.3
December	76.0	60.8	72.0	59.5	4.0	1.3

Location

During 1952 almost 46 percent of all new housing starts occurred in rural nonfarm areas. In each year since 1945 more than 40 percent of all new homes built have been in rural nonfarm areas (areas outside incorporated communities of 2,500 or more). The ratio in 1952 was the highest on record.

Sales and Rental Housing

Single-family homes constituted 84 percent of total nonfarm starts, against 83 percent in the 2 previous years. While the construction of sales-type (single-family) houses increased 5 percent during the year, rental-type starts declined nearly 4 percent. This continued the long-term trend toward owner-occupied homes and a smaller proportion of rental units. In the 1920's, for instance, 61 percent of housing starts were single-family units as compared to an average of 83 percent in the postwar years. During 1952, the building of 2-family units increased one-eighth; starts of more than 2-family units decreased 8 percent and comprised about three-fourths of the new rental units as compared with nearly four-fifths in the previous year (see table 1).

Dollar Volume of Construction Activity

For the sixth consecutive year, expenditures for all new construction broke all previous records, aggregating $32.3 billion—4 percent above 1951, the previous peak, and one-sixth more than in 1950. Residential building (nonfarm) totaled $11.7 billion, 2 percent above the previous year but 9 percent below the all-time high of 1950. The following table gives a breakdown of construction expenditures during the past 3 years:

New construction put in place

Type of construction	1952		1951		1950	
	Amount ($ millions)	Percent of total	Amount ($ millions)	Percent of total	Amount ($ millions)	Percent of total
Total	32, 329	100.0	31, 025	100.0	28, 749	100.0
Residential (nonfarm)	11, 748	36.3	11, 568	37.3	12, 945	45.0
Nonresidential building	9, 011	27.9	8, 623	27.8	6, 179	21.5
Industrial	3, 904	12.1	3, 075	9.9	1, 286	4.5
Commercial	1, 095	3.4	1, 371	4.4	1, 288	4.5
Educational	1, 973	6.1	1, 876	6.1	1, 457	5.0
Hospitals and institutional	866	2.7	917	3.0	820	2.9
Religious	399	1.2	452	1.4	409	1.4
Other nonresidential	774	2.4	932	3.0	919	3.2
Other construction	11, 570	35.8	10, 834	34.9	9, 625	33.5
Public utilities	3, 950	12.2	3, 695	11.9	3, 330	11.6
Farm construction	1, 700	5.3	1, 800	5.8	1, 791	6.2
Military and naval	1, 346	4.1	1, 019	3.3	177	.6
Highway	2, 700	8.4	2, 400	7.7	2, 381	8.3
All other [1]	1, 874	5.8	1, 920	6.2	1, 946	6.8

[1] Includes sewer and water, conservation and development, and miscellaneous construction.

Sources: U. S. Departments of Commerce and Labor.

Privately owned construction comprised 67 percent of the total valuation as compared with 70 percent in 1951 and 75 percent in 1950. The progressive decrease in the proportion of private building reflects the increase in public construction work in connection with the defense effort.

According to the Boeckh indexes, construction costs of residences, hotels, and apartments increased less than 3 percent from 1951. On this basis, the physical volume, therefore, was about the same or slightly less than the previous year.

B. Materials and Labor Supply

Building materials production, although slightly less in volume than in the previous year, was nevertheless at a sufficiently high level to assure few materials supply difficulties for the year's homebuilding. The composite production index which the Department of Commerce maintains with respect to 11 principal construction materials stood at 156.6 (1939=100), which was about 2 percent less than the figure of 160 recorded for 1951.

Of the materials that are the backbone of residential building, softwood lumber and cement remained within 1 percent of 1951 levels, while brick production decreased approximately 13 percent. Four percent less hardwood flooring and 19 percent less gypsum lath were produced than in 1951. Manufacturers' shipments of asphalt prepared roofing fell off 2 percent, and shipments of cast-iron soil pipe and fittings dropped 5 percent.

The principal wood millwork products—doors, sash, and exterior frames—were within a 3-percent range of their 1951 volume. Output of softwood plywood rose 5 percent and that of gymsum board (including sheathing), 2 percent. Factory shipments of warm-air furnaces rose 4 percent.

Owing principally to the steel strike, the tonnage of mill shipments of reinforcing bars declined 5 percent, while nail shipments dropped 25 percent, not entirely due to the strike. Other major decreases were in plumbing fixtures: bathtubs, 13 percent; lavatories, 21 percent; sinks, 26 percent; and closet bowls, 27 percent; but production of water-closet tanks fell off only 5 percent.

The accompanying table shows statistical details:

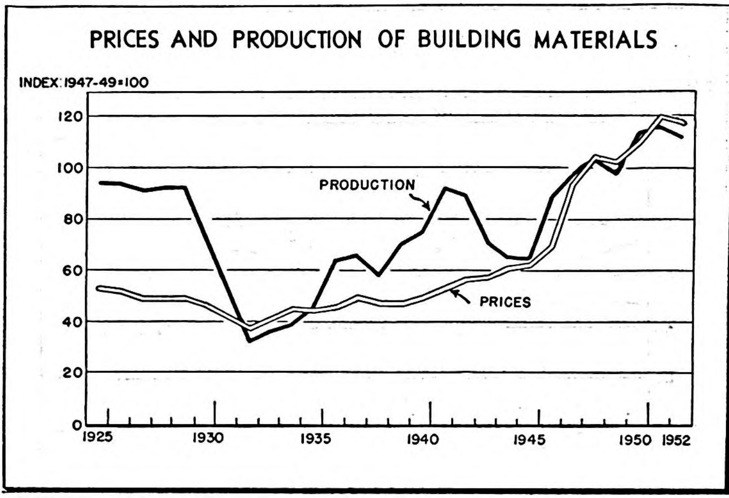
Production of principal building materials

Material	Unit	Production		Percent change 1952 from 1951
		1952	1951	
Softwood lumber	Million board feet	[1] 28,745	29,072	−1
Hardwood flooring	do	1,004	1,048	−4
Softwood plywood	Million square feet	3,155	2,995	+5
Doors	Thousand	10,966	11,289	−3
Window sash	Thousand pair	10,514	10,424	+1
Door and window frames	Thousand	4,543	4,543	
Brick	Million	5,773	6,625	−13
Portland cement	Million barrels	249	246	+1
Gypsum board [2]	Million square feet	[2] 3,430	3,360	+2
Gypsum lath	do	[2] 2,315	2,762	−16
Asphalt roofing [3]	Thousand squares	57,340	58,384	−2
Nails [3]	Thousand tons	651	865	−25
Reinforcing bars [3]	do	1,813	1,900	−5
Cast-iron soil pipe and fittings [3]	do	652	688	−5
Bathtubs	Thousand	1,790	2,051	−13
Lavatories	do	2,818	3,588	−21
Sinks	do	2,072	2,817	−26
Water-closet bowls	do	2,938	4,028	−27
Water-closet tanks	do	3,201	3,377	−5
Warm-air furnaces [4]	do	910	872	+4

[1] First quarter, Census data; remainder estimated by HHFA from data of National Lumber Manufacturers Association.
[2] Including sheathing.
[3] Shipments. Production data not available. Shipments are roughly proportionate to production.
[4] Shipments. Production data not available. Shipments not necessarily proportionate to production.

Except for steel, copper, and aluminum items under allocation, builders were little troubled by materials shortages of sufficient intensity to prevent or seriously delay residential construction.

Employment by building construction contractors remained within 2 percent of the high record established in 1951. The tentative monthly average for 1952 was 2,056,000 workers, compared with 2,084,000 reported by the Bureau of Labor Statistics for 1951. The month of peak employment was August, when the employee roster of general contractors and special-trade contractors engaged primarily in the construction of buildings rose to 2,206,000 or 3.5 percent of the total employed civilian labor force.



SOURCES: Bureau of Foreign and Domestic Commerce and Bureau of Labor Statistics

CHART 4.

C. Costs and Prices

Homebuilding Costs

Homebuilding costs remained relatively stable in 1952, the increases being about the same as in the previous year—slightly less than 3 percent for residences and slightly more than 3 percent for apartments and hotels according to the Boeckh index of construction costs. The increases were gradual throughout the first 3 quarters but in the final quarter there was a slight decline. For residential building costs, an all-time high of 120.4 was reached in September (1947–49=100); and for apartments and hotels, the peak was in October, 123.8.

Boeckh indexes of construction cost of residences and apartments, 1952 and 1951

[Base 1947–49=100]

Month	Residences		Apartments, hotels, and office buildings	
	1952	1951	1952	1951
January	117.7	114.0	120.0	115.8
February	117.6	115.3	119.8	116.8
March	117.6	115.5	119.9	117.2
April	118.0	115.6	120.4	117.3
May	118.3	116.2	120.8	118.1
June	119.4	116.2	122.0	118.3
July	119.8	115.8	122.7	118.2
August	120.2	115.9	123.4	118.3
September	[1] 120.4	116.6	123.7	118.7
October	120.2	117.2	[1] 123.8	119.2
November	119.9	117.2	123.6	119.2
December	119.8	116.7	123.6	119.5

[1] All-time high.

Source: E. H. Boeckh and Associates.

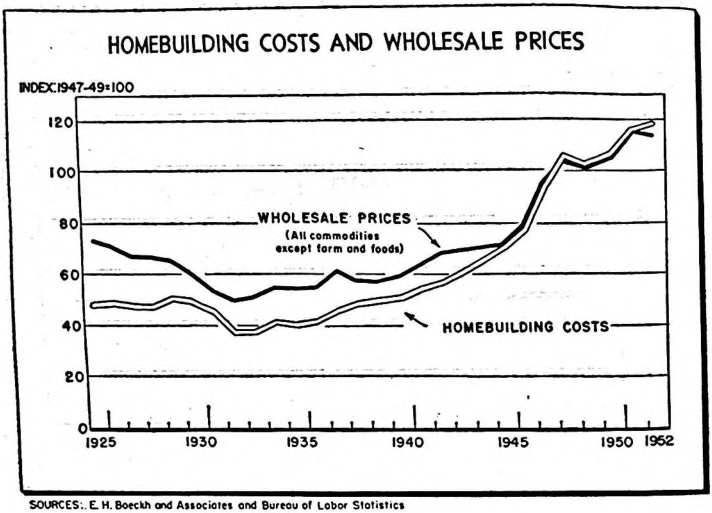


CHART 5.

Prices of Building Materials

Prices of building materials in 1952 were relatively stable throughout the year. According to the BLS Wholesale Price Index (1947–1949=100), there was a variation of less than 1 percent between the low of January (117.9) and the high of September (118.7). At the end of the year the index for all building materials (118.3) was fractionally above the year-ago level but identical to that of December 1950. Although building materials were subject to price control, the majority of the items were well under their respective price ceilings.

After a fractional increase during the first quarter, the price index of lumber showed a slight downtrend during the remainder of the year. The high point was reached in April (121.3) and the low in December (119.7). The year-end figure was about 1 percent below December 1951 and 3 percent below December 1950.

The index for structural steel products declined from 115.8 in December 1951 to 115.4 in August. A slight increase in September was followed by progressive declines, and the index at the end of the year was 113.9.

Prices of paints and paint materials declined gradually during the year—from 109.9 to 106.1. Between December 1951 and January 1952, plumbing equipment dropped from 120.9 to 116.6 but rose gradually to 118.1 by midyear, that figure remaining constant for the rest of the year. Concrete components showed practically no variation during the 12 months, the year-end figure being 113.1. Prices of structural clay products increased 2 percent during the year.

Average Earnings and Hours of Work in Construction

At the end of December 1952, hourly earnings were 6 percent above the year-ago figure and 14 percent above December 1950. During the first quarter the rise was steady—from $2.25 to $2.29. In the second quarter, however, there was a slight decline, and the average dropped to $2.26; but in the last half of 1952, hourly earnings resumed their upward trend and in December averaged $2.41—an all-time high.

Average weekly hours in building construction showed less seasonal fluctuation in 1952 than in the previous year. The low was in March, 36.9 hours per week; and from June through October, the average remained at or near the high of 38.7 hours. The average for the year, 38.0 hours, was 2 percent above 1951 and 5 percent above 1950.

Average weekly earnings continued their uptrend and, with the exception of March, increases occurred in every month up to the all-time high of $92.69 in October. The average over the year, $88.21, was 7 percent more than in 1951 and 20 percent above 1950.

Sales Prices of Housing

The prices at which used houses were being offered appear to have been comparatively stable during 1952. This is apparent from the continuing study by the Division of Housing Research, HHFA, of the prices at which other than new single-family houses were offered for sale in selected cities, reflecting price conditions on the seller's side of the market only. Data are not available on the prices actually paid. Though a slight upward trend was discernible, the fluctuation between the year's high and low was less than 3 percent. At the close of the year, prices were up roughly one-third from the level of the spring of 1947 but were only about 3 percent higher than at the end of 1951. Year-end asking prices were less than 1 percent below the postwar peak reached in both June and November 1952.

The pattern for the country as a whole prevailed generally in the northern and western regions, but with somewhat less evidence of an upward trend. Year-end prices in the North were 2 percent below the postwar peak recorded in April 1952, while in the West asking prices in December 1952 were at a new postwar peak.

The South, in contrast with the other regions, showed a fairly pronounced uptrend during the initial 7 months of the year, reaching its postwar peak in July at a level almost 9 percent higher than in January. In the latter months of the year, after a drop in August, the level of asking prices was relatively stable. At the year's end, though asking prices were some 4 percent lower than the postwar peak, they were about 7 percent higher than at the end of 1951.

D. Home Financing in 1952

The Mortgage Market Situation

In 1952 the flow of funds into residential mortgages was at an all-time high. Nonfarm recordings of $20,000 or less reached a peak of $18 billion, up one-tenth from the year before. However, difficulty in obtaining financing existed in some parts of the country, particularly in defense housing areas, and there was concern over the effectiveness of the VA 4-percent interest rate. The record flow of mortgage money was reached despite a heavy demand for investment funds from industry for plant and equipment expenditures, from State and local governments to finance capital outlays, and net borrowing by the Federal Government. Against this background of investment fund demand, the record supply of mortgage money was provided by high levels of new savings and the increased volume of repayments on the outstanding mortgage debt.

A vital contribution to the mortgage market was the high level of new personal savings. With total personal savings as reported by the Department of Commerce the largest since World War II, all of the principal mortgage lenders showed substantial gains in funds available for long-term investment, as is shown in the following table:

Institution	Net gain			
	During 1952		Best previous year	
	Type of investment	($ billions)	($ billions)	Year
Savings and loans	Savings capital	3.1	2.1	1951
Mutual savings banks	Regular deposits	1.7	2.0	1945
Commercial banks	Time deposits	3.1	6.1	1945
Insurance companies	Total assets	5.1	4.4	1950

This high level of savings aided in relieving the tightness which had followed the FRB-Treasury accord in 1951. That action allowed Government bond prices to drop and deterred lenders from liquidating these bonds in order to increase other investments. While some liquidation continued in 1952, it was far less than the year before.

A further contribution to meeting the demand for mortgage money was made by the record-high volume of repayments on mortgages in existence. Total repayments of mortgage debt on nonfarm 1- to 4-family homes during 1952 are preliminarily estimated to have been in the neighborhood of $10 billion. Based on changes in holdings by various lenders, it is estimated that about $6 billion net new mortgage credit was extended during the year on these homes, slightly less than in 1951.

Conversely, there were factors present which operated to restrain the volume of mortgage loans made. On the demand side, Regulation X and companion restrictions of FHA and VA, which had been modified in July and in September 1951, were in effect until mid-September 1952. Lenders' ability and willingness to supply mortgage funds were affected by the Government's monetary policy and heavy competing demands for long-term money. Corporate security issues of $9.7 billion were $2.0 billion greater than in 1951, while municipal bond issues of $4.4 billion were $1.1 billion higher than in the year before. In addition, net private holdings of U. S. Government securities increased $4.2 billion during 1952. These influences accentuated the normal regional variation in the availability of mortgage money for Government-insured and -guaranteed loans and produced an upward pressure on interest rates.

Interest Rates on FHA and VA Mortgages

Interest rates on VA-guaranteed and FHA-insured home mortgages were a controversial subject during 1952 and still remained a lively issue at year end. The maximum interest rate of 4¼ percent permitted on home mortgages insured by FHA was sufficient to maintain in general a reasonably effective flow of mortgage funds during the year. However, this rate is under constant review to assure its continuing effectiveness, particularly if general market conditions tighten and the competitive yields on long-term Government and corporate bonds increase.

There appears to be some question as to the effectiveness of the 4-percent interest rate on VA-guaranteed loans. While the Agency has no jurisdiction over the VA home loan guaranty program, it is interested in the question of a sufficient flow of funds for GI loans, as well as for other segments of the housing field. Moreover, HHFA has a particular interest in the adequacy of private funds for GI loans since it affects the use of FNMA funds for which the Agency is responsible. Although the volume of VA-guaranteed loans improved in the latter part of 1952, adequate information was not available to indicate the extent to which this improved flow of funds was influenced by discounts in the secondary mortgage market—the number of such discounts, how large they were in various areas, and the extent to which veterans may have been paying for such discounts in the prices of the houses they purchased. If there are substantial numbers of cases of this nature, then the veteran may be paying in effect an interest rate somewhat higher than 4 percent. Under such mortgage market conditions, the burden upon FNMA to purchase VA-guaranteed loans may continue to be fairly heavy, even though loans purchased by FNMA may not, under present regulations, involve a discount and FNMA purchases are limited to one-half of the VA-guaranteed loans originated by that lender.

Mortgage Lending Volume

During 1952, nonfarm mortgage recordings of $20,000 or less, which consist mainly of loans on 1- to 4-family homes, reached a new peak of $18.0 billion. The number of these recordings—3,028,000—was greater than in the previous year but still slightly less than in 1950.

Mortgage recordings by savings and loan associations reached a new peak of $6.5 billion—a gain of one-fifth from the year before. Moreover, their proportion of total recordings rose to 36 percent, the highest on record.. Commercial bank recordings also rose to a new high of $3.6 billion in 1952. Recordings in the name of mutual savings banks totaled a record $1.1 billion in 1952, a gain of one-eighth over the year before.

Mortgage loans by insurance companies during 1952 were substantially below those of the two preceding years. This reflected the effects of lower Government bond prices, which have curtailed the heavy liquidations of prior years, and insurance company participation in financing industrial expansion. In addition, insurance companies generally have built up their mortgage portfolios in recent years until mortgages now account for about one-fourth of total assets—the highest proportion since 1931. Recordings of $20,000 or less ($1.4 billion), made in the companies' own names, were down 12 percent from the preceding year, while large mortgage loans and purchases from others ($2.2 billion) showed a decline of 29 percent from the previous year. Most of the decline in the total reflected VA and FHA mortgages, while acquisitions of conventional mortgages were off only slightly. Nonfarm mortgage recordings by individuals reached a new peak of $2.8 billion in 1952—a gain of 9 percent over the previous year. The balance of all other recordings, mainly those of real estate and mortgage companies, amounted to $2.7 billion in 1952. This was 3 percent higher than in the year before but still less than in 1950.

Comprehensive data on large housing-project mortgage loans are not available. However, statistics on FHA insurance written on project mortgages indicate a decline in 1952. In 1950, FHA insurance written on large mortgages amounted to a record high $1,156 million. The following year, this fell to about $584 million, and in 1952 it amounted to about $322 million.

Mortgage Debt Outstanding

At the end of 1952, the outstanding debt on 1- to 4-family nonfarm homes amounted to a record-high $58.2 billion. While total new loans made (measured by recordings of $20,000 or less) were at a peak, the net increase in outstanding debt of $6.3 billion was less than in either of the two preceding years. Percentagewise, the 1952 increase was 12 percent. Of the total outstanding debt on 1- to 4-family homes at the end of the year, 19 percent was covered by FHA insurance and 25 percent was covered by VA guaranty. During 1952, all types of mortgage lenders increased their holdings, as can be seen in the following table:

Outstanding mortgage debt on 1- to 4-family nonfarm homes (end of year)

Type of lender	Billions of dollars				Percent distribution			
	1952 [1]	1951	1950	1939	1952 [1]	1951	1950	1939
Total	58.2	51.9	45.1	16.3	100.0	100.0	100.0	100.0
Savings and loan associations	17.6	14.8	13.1	3.6	30.2	28.5	29.1	22.1
Life insurance companies	11.8	10.8	8.4	1.5	20.3	20.8	18.6	9.1
Commercial banks	11.3	10.3	9.5	2.1	19.3	19.8	21.0	12.8
Mutual savings banks	6.2	5.3	4.3	2.1	10.6	10.3	9.6	13.0
FNMA	2.2	1.8	1.3	.1	3.8	3.5	2.9	.8
HOLC	------	------	------	2.0	------	------	------	12.5
Individuals and others	9.1	8.8	8.4	4.8	15.7	17.0	18.7	29.6

[1] Preliminary.

Source: Home Loan Bank Board.

Characteristics of home mortgage debt disclosed by the Census of 1950 are discussed in Chapter II of this report.

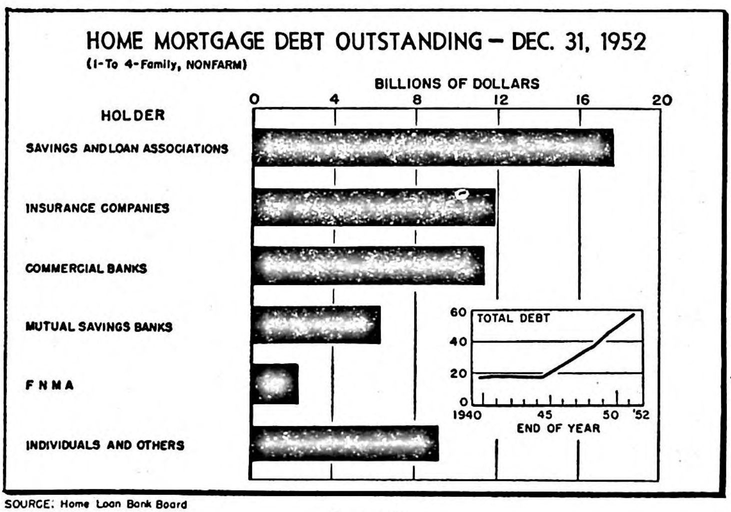


CHART 6.

Nonfarm Foreclosures

Foreclosures of nonfarm mortgages in 1952 numbered 18,135, continuing the low level of recent years. In 1939 there were five times as many, although the number of such mortgages in existence then was lower. This relatively small number of foreclosures was achieved despite the fact that the bulk of home mortgage debt outstanding is less than 7 years old and much of it is now in the period of the life of the loan when the foreclosure rate might be expected to be highest. This improvement in the foreclosure rate has been made possible by improved mortgage financing techniques and generally prosperous business conditions.

SECTION 2. HOUSING PROGRAMS—THE FEDERAL AGENCIES

Chapter IV

THE HOUSING AND HOME FINANCE AGENCY

A. Development and Structure of HHFA

HHFA is the principal housing agency of the United States Government and coordinates its major housing activities. It provides a focal point for cooperative effort by all segments of the housing field and by Government—State and local as well as Federal—in solving our housing problems.

The operations of HHFA reflect the evolution and firm establishment over the years of housing as a major national purpose or objective. Its responsibilities are indicative of the fact that, while the varied programs authorized by the Congress employ different techniques (e. g., credit reserves, home mortgage insurance, slum clearance and urban redevelopment, research, low-rent public housing), all of these activities have the same basic objective of improving the housing of our people.

As the chart on page 34 shows, there are four principal component organizations of HHFA—the Office of the Administrator, the Home Loan Bank Board, the Federal Housing Administration, and the Public Housing Administration. While there has been little change in the underlying organizational structure of HHFA since its establishment under Reorganization Plan No. 3 of 1947, there has been considerable development of its responsibilities. In five successive major laws (the Housing Acts of 1948, 1949, 1950, 1951, and 1952) and under various Reorganization Plans, the Congress reaffirmed the basic concept of a single housing agency and assigned to that agency many new and substantial housing functions; it approved the transfer to HHFA of certain existing housing and community development functions, such as the advance planning programs, the Federal National Mortgage Association, and the prefabricated housing loan program. And as a guide for the administration and development of housing activity, the Congress enacted in the 1949 Housing Act a statement of national housing policy and stated as an objective: "Housing production and related community development sufficient to remedy the serious housing shortage, the elimination of substandard and other inadequate housing through the clearance of slums and blighted areas, and the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family."

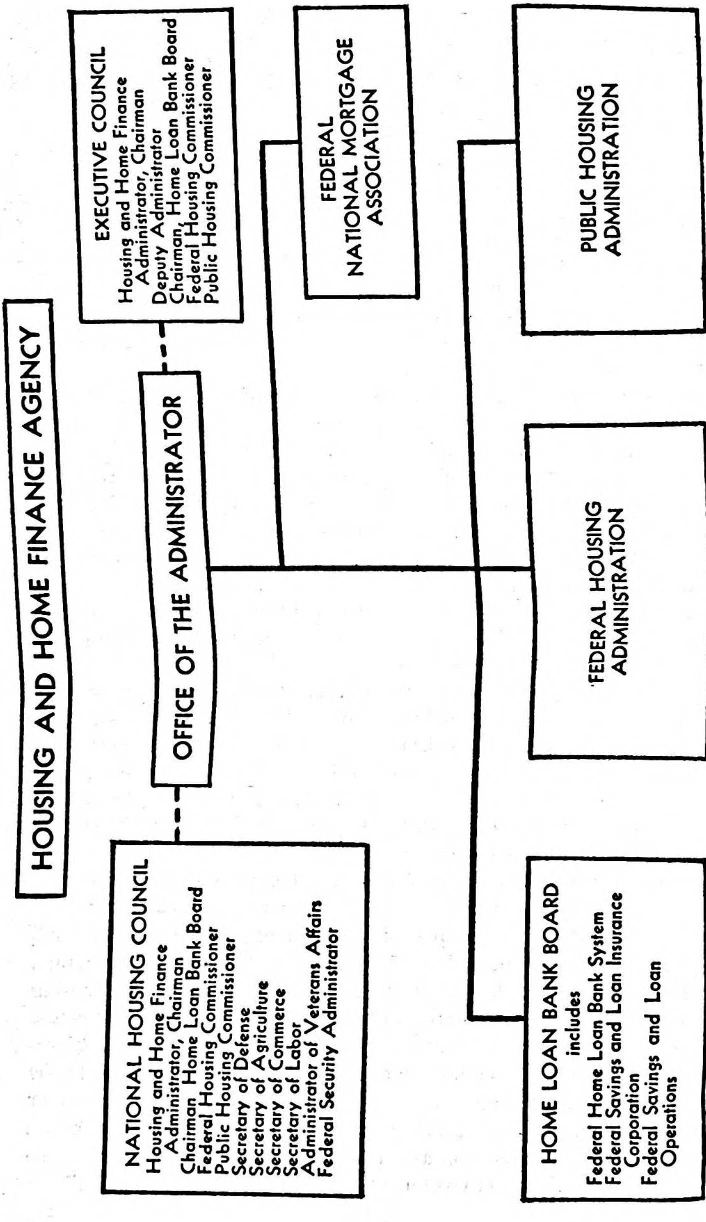

HOUSING AND HOME FINANCE AGENCY
OFFICE OF THE ADMINISTRATOR
EXECUTIVE COUNCIL
Housing and Home Finance Administrator, Chairman
Deputy Administrator
Chairman, Home Loan Bank Board
Federal Housing Commissioner
Public Housing Commissioner
NATIONAL HOUSING COUNCIL
Housing and Home Finance Administrator, Chairman
Chairman, Home Loan Bank Board
Federal Housing Commissioner
Public Housing Commissioner
Secretary of Defense
Secretary of Agriculture
Secretary of Commerce
Secretary of Labor
Administrator of Veterans Affairs
Federal Security Administrator
FEDERAL NATIONAL MORTGAGE ASSOCIATION
PUBLIC HOUSING ADMINISTRATION
FEDERAL HOUSING ADMINISTRATION
HOME LOAN BANK BOARD
includes
Federal Home Loan Bank System
Federal Savings and Loan Insurance Corporation
Federal Savings and Loan Operations

CHART 7.

There were no major changes in HHFA organization or structure during 1952, although there were continuing adjustments required to meet changing defense conditions and some modifications and revisions in certain of the long-range programs.

B. HHFA Programs

These programs are dealt with in detail elsewhere in this report. In brief they may be described under six major categories:

1. Aids to Private Housing

In general these are directed toward facilitating the flow of private credit for producer and consumer use, and affect more than half of all home loan lending. FHA provides a program of insurance for private mortgage loans. FNMA provides a limited Government-financed secondary market for FHA-insured mortgages and VA-guaranteed home loans. The Home Loan Bank Board provides a central credit reserve for privately operated savings and loan associations and encourages thrift and investment in these institutions through insurance of savings accounts. Savings and loan associations are the most important single source of lending in the homebuilding field, accounting for over one-third of home mortgage lending.

2. Aids to Local Communities

This involves, essentially, assistance for locally initiated, owned, and operated projects. It includes aid to communities in housing low-income families and in clearing and redeveloping slums and blighted areas so that the cities may be more adequate for present day living. It includes a program of grants for sewer, water, and other facilities needed by communities in critical defense areas to meet their expanding facilities requirements. Finally, HHFA provides engineering and technical functions to assist the U. S. Office of Education in a program for the construction of school facilities in areas where Federal activities have resulted in a need for additional educational institutions.

3. Housing Research

The Division of Housing Research, OA, administers a broad research program designed to provide assistance to the different components of the housing economy—builders, materials producers, lenders, communities, and the American consumer. The Division prepares comprehensive studies and research in technology, and in the economic, fiscal, and social aspects of housing.

4. Special Purpose Loans

This category includes a series of special purpose programs designed to aid specific sectors of the housing economy where there is a special need not otherwise provided for. It includes a program of loans to aid in the development of housing in Alaska, loans for housing at educational institutions having special problems because of rapidly expanding enrollments, and loans designed to aid in the maintenance of the home prefabrication industry.

5. War and Emergency Housing Management and Disposition

Included in this category are the management and disposition of housing and other types of projects constructed to meet special World War II and postwar emergency needs. The projects were scheduled for disposition as rapidly as possible at the expiration of the emergency. While a considerable portion of the projects have already been disposed of, ultimate disposition of the remaining units has been delayed as a result of the current emergency.

6. Defense Activities

While the impact of the defense program has been felt on all Agency programs, the Agency has also specific additional responsibilities resulting from the defense effort. These include administration of a program of defense housing in designated defense areas, including special aids for builders of private defense housing (FHA Title IX, FNMA commitments to purchase mortgages), community facilities, and site acquisition. Also, the Administrator of HHFA is Assistant to the Director of Defense Mobilization for housing and community facilities, and HHFA is the claimant and processing agency for controlled materials used in nonfarm housing construction. Finally, in cooperation with the Federal Reserve Board, HHFA administers a program of real estate credit restrictions. Most of this program was relaxed in September 1952.

C. The National Housing Council

The National Housing Council, which was established in the Housing and Home Finance Agency by Reorganization Plan No. 3 of 1947, is the coordinating body for all Federal agencies concerned with housing activities. The Administrator of HHFA serves as Chairman of the Council. The three constituent agencies of HHFA are represented on it and the Secretaries of Commerce, Agriculture, Labor, and Defense, the Administrator of Veterans' Affairs and the Federal Security Administrator—or their designees—comprise its membership. Representatives of the Bureau of the Budget and the Federal Reserve Board attend meetings of the Council as observers. Through its regular monthly meetings the Council provides the machinery for exchange of information and discussion of problems common to the participating agencies. Since the Reorganization Plan setting up the Council does not confer any directive powers, the results of the Council's activities are reflected in the operating programs of the member agencies rather than by direct Council action.

During 1952 the Council was concerned primarily with the effects of defense mobilization activities on housing throughout the nation, particularly with respect to materials supply and conservation regulations, relaxation of the credit restrictions, and the progress of defense housing and community facilities programs. In addition, the Council meetings provided a convenient forum for discussion of the interest rate problem and mortgage market trends throughout the year.

Legislative proposals relating to housing were discussed at Council meetings, as was Amendment 48 to the Independent Offices Appropriation Act of 1953 requiring that occupants of federally assisted low-rent housing certify that they are not members of any organization on the Attorney General's list of subversive organizations. The Congressional Conference Committee had instructed that the amendment be applicable so far as practicable to occupants of all federally aided housing.

Other matters of interest which were discussed included the trial run projects for portable and demountable-type housing, housing programs in Alaska and Guam, and the activities of the Armed Forces Housing Agency.

Monthly statistical reports were prepared for Council members during the year. These reports provided an up-to-date picture of the status of housing production generally and of the progress of the defense housing program in particular.

D. HHFA Budget and Expenditures

Net budgetary expenditures of the Government were $66.1 billion in the 1952 fiscal year and are estimated at $74.6 billion for the 1953 fiscal year. The table on page 39 shows the portion of these expenditures—$584.8 million and $538.9 million in the respective years—attributable to the HHFA programs.

The table is cast roughly in the form of a Source and Application of Funds statement such as is printed in the Budget for the corporation and revolving funds which are employed for the financial operation of most Agency programs. The usual form of statement has been altered slightly to show together certain associated disbursements and receipts—for example, *Purchase of Mortgages* and *Sales and Repayments of Mortgages*—rather than separating the two items under *Funds Applied* and *Funds Provided.*

In both years *Funds Applied*, including those for acquisition of mortgages and loans which could be termed sound investments, exceed external receipts shown in the *Funds Provided* section. The financing of this deficit appears below under the caption *Government Interchange of Funds*. This part of the table shows, from the viewpoint of the Treasury, the net borrowings and net appropriation expenditures as partially offset by dividends to the Treasury, cash invested in Treasury obligations, and increases in corporation bank accounts which assist in Treasury short-term financing operations.

The following comments, chiefly identifying program participation in various consolidated items, may be helpful:

1. Purchase and sale of mortgages are confined to the activities of FNMA.

2. Loans and advances to local governments are made under the U. S. Housing Act (low-rent) program, the slum clearance program, the defense community facilities program, and the advance planning program.

3. Loans for production and sale of housing occur under the Alaska housing, housing loans for educational institutions, and prefabricated housing loan programs.

4. Grants-in-aid to local governments consist of annual contributions to low-rent housing, grants for the Federal share of slum clearance net project costs, and grants to assist defense-impacted communities in the provision of essential community facilities.

5. The distinction between administrative and nonadministrative expenses is difficult to draw. In certain instances where workload is dependent almost exclusively upon public demand and where the expenses are financed exclusively by fees and other charges, the Congress has defined expenses connected with Government personnel as nonadministrative expenses and allowed greater flexibility in the use of funds.

6. Interest expenses consist almost exclusively of interest paid to the Treasury for borrowed funds. The most important borrowers in the Agency are the Federal National Mortgage Association and the Public Housing Administration.

7. FNMA borrowings from the Treasury in each year exceed $0.5 billion, in line with active purchase of mortgages and increase in size of portfolio. Borrowings by PHA are estimated to fall from over $400 million in 1952 to less than 10 percent of this amount in 1953. Borrowings under other programs such as housing loans for educational institutions and slum clearance show a reverse trend as do guaranteed debentures issued by FHA for insurance claims.

8. The principal appropriations in the 2 years are for administrative expenses of the Office of the Administrator and of PHA activities

concerned with low-rent housing, and for program expenditures—annual contributions to low-rent housing, grants for slum clearance, public defense housing and community facilities, and the Alaska housing revolving fund. The most important items under repayments of appropriations are the net receipts from the operation and disposition of public war housing and the retirement of capital stock of the Federal Savings and Loan Insurance Corporation.

9. The most important dividend declarations to the U. S. Treasury in the period are by the Federal National Mortgage Association which operates with borrowed capital and soon after the close of each year declares a dividend approximately equal to the earnings for the year.

Budgetary Expenditures

[000 omitted]

FUNDS APPLIED TO	1952 actual		1953 estimate	
Acquisition of assets:				
Purchase of mortgages	$604, 973		$690, 000	
Less sales and repayments	115, 805		192, 000	
		$489, 168		$498, 000
Loans and advances to local governments	634, 386		261, 161	
Less repayments	463, 660		205, 927	
		170, 726		55, 234
Loans for production and sale of housing	14, 643		45, 286	
Less repayments	6, 739		27, 636	
		7, 904		17, 650
Collateral in liquidation of insurance claims and loans	52, 921		56, 386	
Less recoveries on sale of collateral	10, 603		16, 018	
		42, 318		40, 368
Construction of public defense housing		13, 201		66, 354
Total acquisition of assets		723, 377		677, 606
Grants-in-aid to local governments		12, 544		36, 504
Expenses:				
Administrative	$30, 141		$27, 390	
Nonadministrative	29, 005		31, 120	
Other	19, 978		20, 610	
		79, 124		79, 120
Total funds applied to operations		815, 045		793, 230
FUNDS PROVIDED BY				
Receipts from disposition of property		$12, 185		$11, 403
Operation of public housing projects	$63, 027		$70, 188	
Less operating expenses	30, 145		31, 030	
		32, 882		39, 158
Interest on mortgages, loans and other investments	105, 132		125, 940	
Less interest on borrowings	47, 750		58, 576	
		57, 382		67, 364
Fees and premiums		112, 571		131, 691
Miscellaneous		15, 264		4, 729
Total funds provided by operations		230, 284		254, 345
Net budgetary expenditures		584, 761		538, 885
GOVERNMENTAL INTERCHANGE OF FUNDS				
Funds provided by Treasury:				
Borrowings from (or guaranteed by) Treasury	$996, 495		$664, 174	
Less repayments	310, 792		119, 641	
		$685, 703		$544, 533
Appropriations	98, 199		104, 661	
Less repayments, retirement of capital stock, etc	45, 950		55, 841	
		52, 249		48, 820
Total funds provided by Treasury		737, 952		593, 353
Funds provided to Treasury:				
Dividends	$31, 069		39, 624	
Investment of insurance reserves in U S. Bonds	28, 878		73, 000	
Increase (or decrease(−)) in Treasury cash	93, 244		−58, 156	
Total funds provided to Treasury		153, 191		54, 468
Net budgetary expenditures		584, 761		538, 885

E. HHFA Personnel

During calendar year 1952 the Housing and Home Finance Agency operated with an average staff of 12,441 employees. The following table shows actual full-time employment within HHFA at the beginning and end of the calendar year.

	Jan. 1, 1952	Dec. 31, 1952
Office of the Administrator	1,457	1,607
Home Loan Bank Board	441	433
Federal Housing Administration	5,230	5,443
Public Housing Administration	5,103	4,946
Total	12,231	12,429

The figures for the Office of the Administrator include 616 and 720 Federal National Mortgage Association employees on January 1 and December 31, respectively. The staff employees of the Home Loan Bank Board at the end of the year were distributed as follows: 67 with the Federal Savings and Loan Insurance Corporation, 245 with the Examining Division, and 121 on the immediate staff of the Board, including the employees concerned with the Federal Home Loan Banks.

The increase in OA employment reflected expansion of defense housing and community facilities activities, including additional FNMA responsibilities; it also reflected additional activities in slum clearance and urban redevelopment and school construction. The FHA employment totals also showed the impact of expanding defense housing activity, as well as a general increase in the overall volume of business.

The staff of the Public Housing Administration at the end of the year included 2,689 management employees on directly operated housing projects. There were also approximately 270 site engineering inspection employees on projects under development in the low-rent and public defense housing projects.

Chapter V

OFFICE OF THE ADMINISTRATOR

A. Nature and Scope

The Office of the Administrator is one of the four major components of the Housing and Home Finance Agency. It provides the organization and staff which assist the Administrator in his duties as the Government's principal official in the field of housing and community development and as Chairman of the National Housing Council, as well as head of HHFA. These responsibilities are of two main kinds. The first, which involves supervisory and coordinating duties, includes advising and assisting the President and the Congress in formulating and executing a coordinated housing policy and a general supervision and coordination of the programs of the constituent agencies. The second involves direct responsibility for the operation of certain specific housing programs assigned to the Administrator under various laws and reorganization plans; more than four-fifths of the OA staff are engaged in this aspect of its responsibilities.

B. Supervisory and Coordination Functions

These reflect a responsibility for continuously guiding the administration of housing and community development activities along the lines of policy and program objectives established by the Congress and the President and for dealing on housing matters with the Congress, the President, and the public. They are aimed at the most effective use of available resources in achieving such policies and objectives.

An important aspect of this function is the continuing evaluation of housing in its relation to the overall economy so as to develop appropriate program recommendations to the President and the Congress. This includes analysis of such matters as housing production and financing, costs, labor and materials supply, and housing distribution. These factors must be related to the Government programs such as FHA insurance, FNMA secondary mortgage operations, credit policies of HLBB, the low-rent public housing program, and others. Ever since the Korean war, it has involved a continuing examination of housing and defense requirements, and particularly the development and operation of a program of defense housing, as well as real estate credit restrictions. The Administrator represents the housing field and programs in discussions within the Executive Branch on

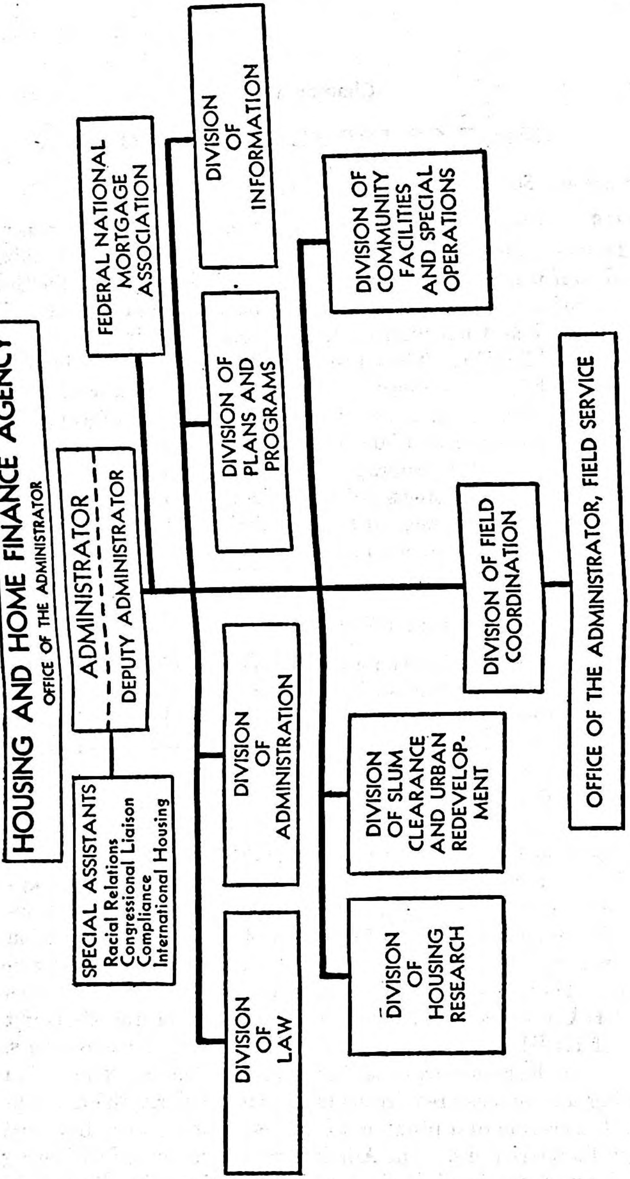

HOUSING AND HOME FINANCE AGENCY
OFFICE OF THE ADMINISTRATOR
ADMINISTRATOR
DEPUTY ADMINISTRATOR
SPECIAL ASSISTANTS
Racial Relations
Congressional Liaison
Compliance
International Housing
FEDERAL NATIONAL MORTGAGE ASSOCIATION
DIVISION OF INFORMATION
DIVISION OF PLANS AND PROGRAMS
DIVISION OF ADMINISTRATION
DIVISION OF LAW
DIVISION OF COMMUNITY FACILITIES AND SPECIAL OPERATIONS
DIVISION OF FIELD COORDINATION
DIVISION OF SLUM CLEARANCE AND URBAN REDEVELOP-MENT
DIVISION OF HOUSING RESEARCH
OFFICE OF THE ADMINISTRATOR, FIELD SERVICE

CHART 8.

such matters as defense mobilization and inflation control; in addition the Administrator serves as Assistant to the Director of Defense Mobilization on housing and community facilities.

As the principal spokesman for the Executive Branch on housing matters, the Administrator develops and presents to the Congress the legislative program of the Executive in the housing and community development field. At the request of the Congress, OA analyzes various legislative proposals and advises as to their probable effect. For example, over 150 reports were prepared within OA for the Congress or the Bureau of the Budget on pending legislation during 1952. Also, as requested, the Agency supplies the Congress with statistical, technical, or other information which may be needed in considering matters involving housing.

Overall coordination and supervision of programs operated by the constituent agencies of HHFA is, of course, one of the most important aspects of these duties. The development and administration of the defense housing and community facilities programs are excellent examples of such coordination, involving FHA and PHA, as well as relations with other agencies such as FSA and the Department of Defense.

Aside from supervision of substantive programs of constituent agencies, there are important agencywide coordinating responsibilities on management and administrative matters. For example, the Administrator deals with the Bureau of the Budget on management improvement programs, with the Civil Service Commission on HHFA personnel standards and practices, and with the General Accounting Office on financial and accounting practices and internal audits and controls throughout the Agency.

Still other aspects of such coordination are evident in the continuing review of minority group problems through the Racial Relations Service, in the liaison with the Department of State and other nations on the international aspects of housing, in the legislative reference service, in the functions of the Compliance Staff which follows through to assure appropriate disposition of all complaints or allegations of violations of law or regulation on the Agency's programs.

The Administrator's overall responsibilities involve meetings and discussions on housing matters with industry and trade organizations, labor, minority and consumer groups, and with local government officials, in order to explain and interpret housing policies and programs and to receive the recommendations of the representatives of such groups on these matters.

The Office of the Administrator also provides a central reference point within the Government where information may be obtained about housing and housing programs, and it makes available publicly the information needed for understanding these programs and for making appropriate use of the Government's housing facilities.

C. Operating Programs

By various laws and reorganization plans over the years, the Administrator has been given direct responsibility for the operation of a number of housing and community development programs. All of these programs are carried on by OA personnel except for the management and disposition of the emergency housing provided under the Lanham and related acts, for which direct operating responsibility has been assigned to PHA, and the provision of temporary defense housing under Public Law 139, which has also been assigned to PHA.

There were no changes in these assigned programs during 1952, although at year's end, plans were being made to transfer the disaster relief program to the Federal Civil Defense Administration. A number of these programs involve long-range activities; others have arisen in connection with the defense effort. All of the programs are under constant review so as to align them to defense requirements. These programs are all described in detail elsewhere in this report. At the end of 1952 they included:

1. Slum clearance and urban redevelopment
2. Housing research
3. Secondary mortgage market (FNMA)
4. Alaska housing
5. Housing loans to educational institutions (college housing program)
6. Loans for prefabricated housing
7. Management and disposition of World War II and postwar emergency housing
8. Public works advance planning
9. Disaster relief
10. Maintenance and disposition of war public works
11. Participation in a program of aid for school construction in areas affected by Federal activity
12. Defense-connected programs
    (*a*) Program of credit restrictions (relaxed in September 1952)
    (*b*) Defense housing
    (*c*) Defense community facilities
    (*d*) Participation in Controlled Materials Plan as claimant agency

D. Organization and Structure

The chart on page 42 reflects the manner in which OA is organized for the performance of its functions. There were no significant changes in OA organization during 1952. Major realignment of structure and functions had taken place in 1951, reflecting the Agency's responsibilities under various reorganization plans and the defense program.

Operating program responsibilities assigned to OA divisions are described in detail elsewhere in this report.

The Deputy Administrator assists the Administrator generally in his responsibilities for supervision and coordination, acts for the Administrator in his absence, and directs the work of small staff groups in compliance, racial relations, congressional liaison, and international housing.

The Division of Plans and Programs assists the Administrator by formulating basic policies and programs of the Agency and evaluating existing programs for their effectiveness in accomplishing Agency objectives and preventing or resolving inconsistencies with related Government programs and fiscal policy. This Division also provides a focal point for the Agency's defense program operations.

The Division of Housing Research is responsible for carrying out the broad housing research program authorized by the Housing Act of 1948, as amended. The Division also provides the Administrator and the Agency with statistical reports and analyses on basic housing data and program statistics. It supplies essential analyses and estimates on such matters as national housing needs, changes in the mortgage and money market, effect of financial provisions of Agency programs on financing costs, the economic stabilization program, and housing production.

The Division of Law handles all legal matters related to operations and programs assigned to OA, assists the Administrator in development of HHFA legislative policy, prepares or reviews the public regulations of the Agency, and prepares legal opinions with respect to basic legal problems in the operations of HHFA.

The Division of Administration provides accounting, audit, personnel, and administrative management and other administrative services for OA, and coordinates these activities Agency-wide. It performs necessary staff work in connection with Agency budget formulation and presentation.

The Division of Information provides a central point of housing information for the public, the industry, and other sources. This service involves practically continuous contact with dozens of technical and general magazines, newspapers, and press services, and with a wide range of organizations and trade representatives and services.

The Division of Slum Clearance and Urban Redevelopment administers the program authorized by Title I of the Housing Act of 1949.

The Division of Community Facilities and Special Operations administers the following programs: Alaska housing, college housing, loans for prefabricated housing, public works advance planning, disaster relief, war public works management and disposition, defense community facilities, and school construction.

The Regional Offices of OA, in addition to their specific program responsibilities, also devote much of their attention to problems involved in coordination of Agency programs at the field office level. The Division of Field Coordination in Washington supervises the work of the seven Regional Field Offices, a reduction of one from last year.

The Federal National Mortgage Association operates organizationally within OA as a separate Government corporation. FNMA has its own administrative services and operating staff.

E. Personnel

On January 1, OA had 1,457 employees including those of FNMA. By the close of the year the basic staffing of the regional offices was completed; field engineering staff was being added as the school program moved into the construction phase, and the FNMA field offices were stabilized following drastic reductions and consolidations within the FNMA staff during 1951. In December 1952, employment stood at 1,588 with the increase during the year largely attributable to staff required by FNMA to fulfill its purchase functions authorized by Public Laws 139 and 531.

During the year OA established an area office in Portsmouth, Ohio, to program defense housing to serve the needs of the Atomic Energy program in that area. A similar office at Paducah, Ky., having fulfilled its mission, was closed.

Agency participation in the Point IV or Technical Cooperation program was stepped up. In 1952 OA had 16 employees stationed abroad or in process for Liberia, Lebanon, Egypt, Libya, Iraq, Iran, Pakistan, India, and Trinidad. In addition the Agency was assisting the State Department, the Mutual Security Agency, the Department of Defense, and the United Nations Organization to recruit specialists in housing activities for overseas positions.

Chapter VI

HOUSING AND THE DEFENSE MOBILIZATION PROGRAM

A. Defense Housing Under Public Law 139

As an early phase of the national defense effort, necessitated by the attack on Korea in June 1950, HHFA was assigned the responsibility for a defense housing program. Authority and procedures for this activity, which began in March 1951, were amplified by Public Law 139 which was approved September 1, 1951. In the provision of defense housing in areas designated as Critical Defense Housing Areas, the Office of the Administrator establishes a housing program for an individual locality on the basis of special locality analyses and consultations with FHA Insuring Offices, local communities, and military or other defense establishments involved. With few exceptions the administration of individual programs has been assigned to FHA in the case of privately financed housing and to PHA in the case of public housing.

1. Private Defense Housing

During 1952 the program of providing housing for defense workers in critical areas picked up momentum, as the following summary table indicates:

Critical defense housing	As of Dec. 31, 1952	Increase from Dec. 31, 1951
Areas ... number	206	90
Programs ... do	264	133
Dwelling units:		
Programed ... units	98,224	32,749
In builders' applications ... do	369,629	200,595
Approved ... do	87,092	46,215
Started ... do	44,476	42,497
Completed ... do	27,817	27,629

During 1951, when the program was initiated, starts and completions were low, reflecting not only financing, land acquisition, zoning, and utilities difficulties but also the time lag involved in necessary preconstruction activity such as defense area certification, programing, receipt and approval of builders' applications, etc. From its inception, and adapting experience gained in World War II, the major responsibilities for providing defense housing was assigned to private industry, and public funds were used only to meet defense housing needs of a temporary nature.

The basic aids provided private builders under the program have included relaxation of credit restrictions, liberalized FHA mortgage insurance, and expanded FNMA purchasing, including a program of advance commitments. Not all of these aids, however, were immediately available. In early 1951 the only incentive provided was relaxation of credit restrictions for programed defense housing. While responses from builders had been good, with applications 3 and 4 times the number of units programed, there was an evident delay in actual construction, reflecting lack of financing among other things. During the summer of 1951, in two separate actions, FNMA set aside $600 million in all for the purchase of eligible mortgages in defense and military areas. Such a set aside, however, was not a commitment to purchase.

On September 1, 1951, Public Law 139 was enacted, providing for more-liberalized FHA mortgage insurance for defense housing, and also authorizing FNMA advance commitments up to $200 million for this purpose and for military and disaster housing during the remainder of 1951.

On December 31, 1951, 116 localities had been designated as critical defense housing areas, 65,475 units had been programed, units in builders' applications were more than 3 times the units programed, but less than 2,000 had been started.

While the measures provided in Public Law 139 were to prove of considerable assistance, it was apparent early in 1952 that further financing aids were needed. In the Housing Act of 1952, Public Law 531, the Congress, therefore, expanded FNMA aids, providing an additional $900 million in commitment authority for defense, military, and disaster areas, and extended the advance commitment authorization to June 1953. At the same time FHA's Title IX insurance authorization was increased, with $400 million reserved for defense housing programed after June 30, 1952.

With the almost complete suspension of credit restrictions in September 1952, a new procedure was instituted for the defense housing program. Builders' applications for defense housing programed since then have been in the form of an application for FHA Title IX mortgage insurance, and approvals have been in the form of FHA commitments.

By the end of 1952, results were apparent from this combination of aids, as the table below shows. About half the units programed had been started and over three-fifths of those started had been completed. In addition field reports revealed that a considerable number of programed units, earlier stalled for financing and other difficulties, would be undertaken in the near future.

Item	Number of areas	Units in FNMA authorizations	Units in FHA Title IX		Defense housing units	
			Applications	Commitments	Programed	Started
Total	206	36,330	[1] 72,101	[1] 46,541	[1] 98,224	44,476
Areas with both FNMA authorizations and FHA Title IX applications	136	36,330	56,450	43,484	77,838	42,718
Areas with FHA Title IX applications but no FNMA authorizations	45	xx	13,525	1,891	16,073	1,719
Areas with neither FHA Title IX applications nor FNMA authorizations	25	xx	xx	xx	4,026	39

[1] Adjusted. Sum of the components may differ somewhat from figure shown under "total."

As the figures indicate, 96 percent of all starts were in areas with both Title IX applications and FNMA advance commitments, although units in such areas were slightly less than 80 percent of all units programed. While the data do not permit an analysis that would indicate the precise number of units started in such areas with both Title IX and FNMA aid, it is obvious that a very large proportion of the starts were of this nature. The table also reveals the relatively low level of starts in areas where there were Title IX applications but no FNMA authorizations, as well as in areas without either type of aid.

Programing for Minority Group Needs

During 1952 it was decided that a portion of the private defense housing programed in certain areas should be specifically reserved to meet the needs of minority groups in those areas. Through December 31, 1952, in 48 programs, nearly 5,100 dwelling units had been reserved for minority groups either through the original program, OA administrative action, or FHA field office action. Approximately one-fourth of these units are now under construction or completed.

2. Public Defense Housing

Title III of the Defense Housing and Community Facilities Act of 1951 authorized the provision of federally constructed housing needed for defense workers or military personnel. Under the Act, permanent public housing may only be constructed after it has been shown that private industry has failed to accomplish the necessary results. No permanent public defense housing had been programed by the end of 1952. Temporary public housing, however, may be provided immediately in critical defense housing areas where the Administrator determines there is a need for it and it does not appear that such need will be of long-range duration. Through 1952 the Congress had authorized $100 million for this type of housing and had appropriated $87.5 million for this purpose.

These funds have been used almost exclusively to provide on-post housing for personnel of military installations. All public housing has been temporary in character. The HHFA Administrator assigned the task of providing such housing to the Pubic Housing Administration. The following table shows the status of this program at the end of 1952 as compared with the end of the preceding year:

Item	As of Dec. 31, 1952	As of Dec. 31, 1951
Dwelling units:		
Assigned	15,990	4,325
Started	7,979	0
Completed	5,648	0
Projects:		
Assigned	85	21
Started	45	0
Completed	29	0

As of December 31, 1952, the HHFA Administrator had committed $76.7 million of the $87.5 million appropriated by the Congress for such housing.

B. Defense Community Facilities

In many critical defense housing areas there developed an urgent need for the expansion or provision of vital community facilities. Most urgently needed were water facilities, sewers, police and fire protection, and roads and streets.

Section 313 (a) of Public Law 139, as amended by the Housing Act of 1952, authorized up to $100 million for Federal assistance in critical defense areas where communities cannot provide the facilities necessary to serve the areas. Under the Act, assistance may be given through grants or loans supplementing local funds; or in exceptional cases, community facilities may be federally constructed. Primary responsibility is divided as follows:

1. *Housing and Home Finance Administrator.*—Water facilities (except purification), sewers (except sewage treatment), streets and roads, and police and fire protection.
2. *Surgeon General of the Public Health Service (FSA).*—Refuse disposal, water purification and sewage treatment, hospitals, and health centers.

Altogether, a total of $28.6 million was appropriated for the construction of defense community facilities, of which HHFA's portion was $20.6 million and the balance for FSA.

Upon receipt of applications for communities located in areas which have been declared critical defense housing areas, surveys are conducted by the field offices of the Housing and Home Finance Agency or of the Federal Security Agency, or jointly. Analysis is made to determine the necessity of the project, the feasibility of the plans, division of responsibility between the two agencies, and methods of financing.

Because of the work involved in analyzing the surveys and in preparing the data necessary for complete planning, there is a time lag not only in the formal submission of applications but also between the receipt of applications and approvals.

Through the end of 1952, the Office of the Administrator, HHFA, had announced 264 defense housing programs in 206 critical defense housing areas. By that time, 223 applications had been received for Federal aid in the construction of community facilities at an estimated cost of $115 million, two-thirds of this to be provided from Federal funds.

During 1952, 59 projects were approved, of which 39 were the sole responsibility of HHFA and 20 under joint HHFA/FSA responsibility. The estimated cost of these projects amounted to $37 million, of which slightly over half was to be contributed by applicants. Of HHFA's total appropriation of nearly $21 million, about two-thirds had already been approved for grants or loans, while one-third was still available for additional projects, as shown in the following table:

Item	Number of projects	Federal contribution to cost ($ million)
HHFA sole responsibility	39	7.3
Joint responsibility (HHFA portion)	20	6.6
Available for additional projects		[1] 6.7
Total HHFA appropriations		$20.6

[1] Includes administrative expenses of $0.1 million.

Since the beginning of the program, almost all of the approved projects have been for water and sewer facilities, 56 projects being for these two types of construction or a combination of both. Two applications were approved for police and fire protection, and one for streets and roads.

C. Credit Restrictions

On September 15, 1952, following a certification by the Secretary of Labor that nonfarm housing starts had been below an annual rate of 1.2 million for three consecutive months, the Federal Reserve Board and the Housing and Home Finance Administrator jointly announced the relaxation of residential real estate credit restrictions. Thus ended 2 years of restrictions on nearly all housing mortgage credit, although legislative authority for credit controls does not expire until June 30, 1953.

In July 1950, a month after the invasion of South Korea, the Housing Agency and the Veterans Administration announced emergency credit restrictions on Government-aided home loans, to combat inflation and to conserve materials and labor for the defense effort.

The Defense Production Act of 1950 authorized the President to impose controls on conventional home financing as well as on Government-aided programs. By Executive Order 10161, September 9, 1950, the President delegated his authority to the HHFA Administrator with respect to Government-aided home loans and to the Board of Governors of the Federal Reserve Board, with the concurrence of the HHFA Administrator, for conventional home loans.

Under the first regulations, announced jointly by the Housing Agency and FRB on October 12, 1950, minimum downpayments and maximum maturities were established for credit for new 1- and 2-family houses under a schedule requiring greater downpayments as the price of the dwelling increased, maintaining a relative preference for veterans. The regulations also applied to Government-aided financing for existing housing. Regulations for multifamily housing went into effect on January 12, 1951.

As the level of housing starts declined from 1950's record highs, the responsible Government agencies studied the situation carefully. By mid-1951 it appeared that the reduced volume bore more heavily on moderate- and low-priced homes. A reduction of downpayments for houses costing up to $12,000 was made on September 1, 1951, in accordance with the Defense Housing Act of 1951. Following this, in June 1952, there were minor reductions in downpayment requirements on homes, to make the regulations more consistent for different price levels. At the same time equity requirements for multifamily housing were reduced.

Prices remained fairly stable in 1952, and shortages of building materials for the most part disappeared. Accordingly the Defense Production Act of 1952 provided for the relaxation of credit controls in the event that the seasonally adjusted volume of nonfarm housing starts was below an annual rate of 1,200,000 for three consecutive months. Starts in June, July, and August were below this level and, hence, the September 15 announcement referred to above.

D. HHFA as Claimant Agency for Controlled Materials for Housing

The Controlled Materials Plan, promulgated under the Defense Production Act of 1950, as amended, was operative throughout calendar year 1952. Under the plan the HHFA Administrator received allotments of controlled materials, i. e., steel, copper, and aluminum. Primarily these were for allocation to builders of new multifamily nonfarm housing, private and public. Out of these allotments, too, allocations were made to such builders of other nonfarm housing, essentially in the category of 1- to 4-family structures, who needed relief from the quantity limitations provisions of DPA regulations governing the so-called "self-authorization" procedure that was set up jointly by DPA and HHFA to service the requirements for controlled materials of the bulk of the housing construction market. Applications for, and allocations of, controlled materials for use in private residential construction were made through FHA Insuring Offices. Public housing requirements were handled through PHA.

This activity was carried forward, under delegation from the Administrator, by the Defense Liaison Staff under the direct supervision of the Assistant Administrator in charge of Plans and Programs. In aggregates, the Administrator was allotted 366,942 tons of carbon steel, 9.6 million pounds of copper brass mill products, 6.3 million pounds of copper wire mill items, 787,148 pounds of copper foundry products, and 210,600 pounds of aluminum, all in mill forms and shapes, to service the 1952 requirements of homebuilders as above defined.

The following table shows the allotments to the Agency for each of the 4 quarters of calendar year 1952.

Year and quarter	Carbon steel (tons)				Copper (pounds)				Aluminum (pounds)
	Total	Structural	Plate	Other	Total	Brass mill	Wire mill	Foundry	Total
1952 total	366, 942	36, 875	2, 570	327, 497	16, 701, 648	9, 580, 000	6, 334, 500	787, 148	210, 600
1st quarter	99, 002	8, 000	-------	91, 002	5, 925, 000	3, 400. 000	2, 075, 000	450, 000	27, 600
2d quarter	96, 940	10, 375	950	85, 615	3, 992, 114	2, 090, 000	1, 759, 500	142, 614	63, 000
3d quarter	95, 000	12, 500	900	81, 600	3, 384, 534	1, 910 000	1, 400, 000	74, 534	110, 000
4th quarter	76, 000	6, 000	720	69, 280	3, 400, 000	2, 180, 000	1, 100, 000	120, 000	10, 000

During 1952, in its role as claimant agency, HHFA received approximately 2,400 applications from builders on the prescribed NPA Form CMP–4C which contained pertinent information concerning specific housing jobs, inclusive of proposed construction schedules, project costs, and schedules of controlled materials needs. Of the total number of applications received, approximately 75 percent were from builders of residential structures, both private and public, having 5 or more dwelling units. The remaining applications, a little under 600 of them, were received from builders of 1- to 4-family residential structures who for one reason or another claimed controlled materials additional to those allowable under the system of self-authorization.

As new additions to plant capacities came into production and new supplies of controlled materials became available, regulations governing the operation of the Controlled Materials Plan—most particularly in the area of "self-authorization"—were relaxed progressively throughout 1952. For example, under NPA Order M-100, effective March 6, a builder of a residential structure containing no more than 4 dwelling units was permitted under specified conditions to self-authorize for a maximum of 2,300 pounds of carbon steel per dwelling unit against only 1,800 pounds theretofore.

Prior to March 6, the use of aluminum was completely prohibited in housing construction. NPA Order M-100 lifted the earlier ban, however, and authorized the use of aluminum in lieu of copper, for the conduction of electricity. Effective July 1, 1952, Amendment 1 to NPA Order M-100 permitted a maximum of 250 pounds of aluminum per dwelling unit in the area of self-authorization except for ornamental or decorative purposes. By Amendment 2 to NPA Order M-100, effective August 4, 1952, the aluminum limitation was increased to 275 pounds per dwelling unit and the copper limitation, which immediately prior thereto was permitted under certain conditions to a maximum of only 220 pounds per dwelling unit, was raised to 900 pounds under specified conditions.

The steel strike during mid-1952 retarded the construction of multi-family housing projects. Under NPA Directive 16 to CMP Regulation 1, mill deliveries scheduled for the fourth quarter of 1952 and the first quarter of 1953 were extended 2 months beyond the end of each of the respective quarters, with no changes in the maximum permissible quantities per dwelling unit.

In October NPA announced relaxation of construction regulations to be effective May 1, 1953, with NPA Order M-100 to be revoked and its provisions incorporated into CMP-6; in December the effective date of this action was advanced to January 1, 1953.

All in all, allocations to builders in 1952 under the CMP, as administered by HHFA and NPA proved generally adequate to sustain a high-level volume of housing construction for the year.

Chapter VII

SLUM CLEARANCE AND URBAN REDEVELOPMENT

A. Local Program Status and Progress

In the year ended December 31, the third since the Congress made available funds to administer Title I of the Housing Act of 1949, the slum clearance and urban redevelopment program made major strides toward its objective of assisting localities in clearing slums and blighted areas and making them available for development and redevelopment. Communities seeking to participate in the program but inexperienced in large-scale slum clearance and redevelopment have been aided in finding solutions to the initial problems confronting them. In big and middle-sized cities and in towns throughout the country, local public agencies have initiated local programs and have worked closely with local planning bodies and other local officials to map out the broad outlines of the local slum clearance and redevelopment job that needs to be done and that can be done within the limits of available Federal and local financing. Significantly, 1952 saw the first completions of the full cycle of planning operations and the progression into development operations of projects conceived wholly within the framework of the Title I program. Likewise at year's end, several of the 26 projects in the execution stage were fast approaching the point of qualifying for Federal capital grant payments, with land in the project areas being disposed of for new uses under local plans.

The 116 slum clearance projects delineated to date envisage a wide variety of new uses for the areas selected locally for a start on the elimination of blight and deterioration of American communities. These new uses include housing, education, recreation, transportation, commerce, and industry. In keeping with congressional intent, as expressed in Title I, redevelopment will be accomplished primarily by private developers to whom project land, after clearance, will be made available at its fair value by sale or lease.

Progress of Local Programs

The accelerated growth and progress in local slum clearance programs throughout the year are reflected in the overall program picture at the end of 1952 as revealed in table 12a. In the first 2 years of the program, an increasing number of localities took the preliminary steps necessary to participate in the program and commenced surveys to identify and delineate eligible projects. Most of these programs moved forward in 1952 to the preparation of final plans and cost estimates looking toward obtaining the local governing body's approval of final redevelopment plans. At the close of the year, the execution of such final project plans had been approved for 26 projects in 15 of the 186 communities with active local programs. This compares with 9 projects in this stage in 7 localities at the close of 1951. The preparation of final plans and cost estimates had been approved for 90 additional projects in 63 other localities, well above the comparable total of 45 projects in 25 localities a year ago. It was expected that final plans and estimates would soon be completed for most of these projects, so that development operations could be commenced in 1953 under contracts for Federal loan and grant assistance.

Most of the 78 localities which have already selected projects have indicated that they are planning to undertake additional projects. In addition, at year's end 108 other communities were at the so-called preliminary planning stage, concentrating on the selection of initial projects.

In all, a total of 186 localities had commenced or were engaged in some phase of local slum clearance program operations—preliminary planning, final planning, development—or 27 percent more than the comparable total at the close of the preceding year. Forty-one of these local programs were initiated during 1952. In addition, 67 other localities had taken the first official steps to launch a local redevelopment program, thus making a total of 253 communities participating in the Title I program. Such steps involve a request for a capital grant reservation through a resolution of the local governing body expressing the intention to undertake slum clearance and urban redevelopment with Federal aid and recognizing the locality's obligation to provide its share of net project costs.

Participating Localities

The 253 localities with capital grant reservations were located in 35 States, the District of Columbia, Alaska, Hawaii, Puerto Rico, and the Virgin Islands. The localities are listed by States in table 12b, which also presents information on the local program operations approved for each locality. Included are all of the nation's cities with populations above 500,000. However, nearly half of the localities had populations under 50,000 at the time of the 1950 Census. Two-thirds had populations under 100,000. Generally speaking, local programs in the larger communities were more advanced—in some instances because of a start on redevelopment under State legislation enacted before the passage of the Housing Act of 1949. However, rapid progress was being made by smaller communities with technical assistance and guidance from the Division.

B. Federal Aid to Local Programs

Title I provides for advances to assist local public agencies in making surveys and plans for, and loans to undertake, the acquisition of slum, deteriorated, and other areas, and the clearance, preparation, and sale of such land for primarily private redevelopment. The Act authorizes the Administrator, with the approval of the President, to obtain funds for advances and loans by issuing notes and obligations for purchase by the Secretary of the Treasury; on July 1, 1953, the aggregate amount authorized to be outstanding at any one time will be $1 billion. In addition to advances for surveys and plans and loans for expenditures necessary to acquire, clear, prepare, and dispose of project land, the Administrator is also authorized to make long-term loans to finance the local investment in land that is leased rather than sold, as well as loans for public buildings or facilities necessary for projects on land which is open or predominantly open. All advances and loans are repayable with interest. In June the rate of interest was increased from 2.50 percent to 2.76 percent, reflecting the change in the applicable going Federal rate.

Title I also provides for Federal capital grants of not more than two-thirds of the net project cost, constituting the deficit or loss incurred in carrying out a slum clearance and urban redevelopment project. The Act authorizes the Administrator, with the approval of the President, to make contracts for capital grants for an aggregate amount which will be $500 million on July 1, 1953. Funds for capital grant payments are provided by appropriations. The local share of net project costs, consisting both of cash and noncash local grants-in-aid, must equal at least one-third of the aggregate net project cost involved.

To qualify for assistance under Title I, projects must comprise land areas which are either predominantly residential in character before clearance or which will be redeveloped primarily for residential use. From the standpoint of eligibility for assistance, there are 4 categories of project areas: (1) slums or deteriorated or deteriorating residential, (2) deteriorated or deteriorating nonresidential, (3) predominantly open, and (4) open. Eligibility of predominantly open and open areas is predicated primarily on the general need for expansion of the areas available for new housing construction to permit the clearance and redevelopment of congested slum neighborhoods.

Through the end of 1952, Federal assistance approved for local slum clearance programs included capital grants and temporary loans for 12 projects in 10 localities, capital grants for 8 other projects in 4 localities, 102 final planning advances in 74 localities, and 177 preliminary planning advances in 173 localities. The amounts approved as well as the amounts disbursed, by localities, are presented in table 12b.

Capital Grant Funds

The capital grants approved for 20 projects at the close of 1952 aggregated $54.1 million, which contrasts with the total of $402,000 approved for 2 projects—in Philadelphia, Pa., and in Mayaguez, P. R.—as of December 31, 1951.

Under an amendment to Title I of the Housing Act of 1949 (P. L. 370, approved June 3, 1952), the Administrator was authorized to make progress payments of capital grants. The amendment eliminates the increased financial costs which would have been incurred by local public agencies had they been forced to wait for capital grant payments until the completion of the project. Funds in the amount of $8 million were appropriated in midyear (P. L. 547, approved July 15, 1952) for initial capital grant payments. It was expected that early in 1953 the full amount of the appropriation would have been earned by and disbursed to localities with projects or segments of projects well advanced at the close of 1952.

The $54.1 million approved as of year end represents 31 percent of the total capital grants estimated for 115 of the 116 projects delineated as of December 31, as indicated in table 12b.

Temporary Project Loans

At the close of 1952, temporary project loans amounting to $33.9 million had been approved for 12 projects. The total at the close of the preceding year had been $282,000 for 1 project in Mayaguez, P. R.

Loan funds actually disbursed in connection with project expenditures in Detroit, Little Rock, Jersey City, Norfolk, Mayaguez, and Ponce amounted to $9.7 million at the end of the year. A repayment of $140,000 had been received, representing proceeds from the sale of a portion of the Gratiot project in Detroit. As noted below, funds to defray project expenditures in the case of 8 of the projects for which capital grants had been approved were available to the local public agencies from State and local sources, making it unnecessary for such agencies to enter into a Federal loan contract. It is expected that the large majority of future projects will involve Title I loan commitments. However, it is also expected that the bulk of funds necessary for project operations will be obtained from non-Federal sources at interest rates lower than those on Federal loans, with the localities pledging their rights under the Federal loan contracts as security for the repayment of such borrowings of non-Federal funds. The project loans approved to date represent 15 percent of the aggregate amount estimated for the 100 of the 116 delineated projects expected to involve Title I loan commitments.

Localities With Approved Capital Grants and Loans

Localities with projects approved for both capital grants and loans at the end of the year included Cincinnati, Ohio; Detroit, Michigan; Jersey City, N. J. (2); Little Rock, Ark.; Mayaguez, P. R.; Nashville, Tenn.; Norfolk, Va.; Perth Amboy, N. J. (2); Philadelphia, Pa.; and Ponce, P. R. Capital grants only had been approved for other projects in Baltimore, Md.; Chicago, Ill. (2); New York, N. Y. (4); and Philadelphia, Pa. Land acquisition and related activities were proceeding in 6 other projects—located in Baltimore, Md.; Indianapolis, Ind. (2); and Puerto Rico (3)—under prior approval of the Administrator, pending determination of Federal loan and capital grant requirements.

Planning Advances

The 279 planning advances approved through the end of 1952 represent separate planning operations financed wholly or partially with advances of Title I loan funds. An aggregate amount of $5.3 million was involved in the approved preliminary planning advances and $4.1 million in the approved final advances, with disbursements standing at $4.0 and $2.5 million, respectively. At the close of the preceding year, approved preliminary and final planning advances amounted to $4.0 and $1.8 million, and disbursements totaled $2.5 and $1.0 million, respectively.

Planning advances are repayable out of the first funds becoming available for the undertaking of the project. As of December 31, advances totaling $450,000 had been repaid for projects in which development operations had commenced.

Capital Grant Reservation

As stated above, the first step for community participation in the Title I program is to obtain a reservation of capital grant funds. Capital grant reservations represent an earmarking but not a commitment of grant funds, thus indicating to the locality that Federal assistance is available in that amount to defray up to two-thirds of the net cost of eligible projects when they are completed. A reservation is made by the Administrator on receipt of a request in the form of a resolution adopted by the governing body of the locality. Through the end of the year, 317 reservations had been made. However, as presented in table 12a, 253 reservations were outstanding at the end of the year, with 64 reservations having been allowed to terminate by localities which did not find it feasible to proceed to undertake a local slum clearance program. The reservations outstanding on December 31 aggregated $212 million, an increase of $29 million over the 1951 total.

Initial reservations are calculated at $70 per substandard dwelling unit in the locality at the time of the 1940 Census. Reservations may be increased up to $150 per substandard dwelling unit when the completed plans for local projects indicate the necessity for additional Federal assistance in order to carry out the local program. Further increases are permitted in specific cases when necessary to permit meritorious programs to be carried out in accordance with the objectives of the Act. The above formula was established to insure an equitable distribution of the overall Title I capital grant authorization. Because the Act limits Federal assistance for any one State to 10 percent of the total amounts authorized, the capital grant funds which may be set aside for localities in New York State are based on $125 per substandard dwelling unit.

C. Project Characteristics

At the close of 1952, a total of 116 local slum clearance projects had been approved for final planning or development in 78 localities in 24 States, the District of Columbia, Hawaii, and Puerto Rico—more than double the number of projects in these advanced stages on December 31, 1951. A review of these projects discloses the characteristics discussed below and presented in detail in table 12c, on the basis of data compiled—from estimates in some cases—by the local public agencies in delineating the projects.

The 116 project areas encompass about 4,700 acres, ranging individually from 1.9 acres for the Central Project in Shelton, Conn., to 325.0 acres for the predominantly open Diamond Heights Project in San Francisco. The largest slum area—the Thomas Street Project in Memphis, Tenn.—embraces 239.7 acres. More than half of the projects cover less than 25 acres; about one-fifth are less than 10 acres. The 5 predominantly open project areas account for a total of not quite 500 acres.

Total dwelling units in the 116 project areas are estimated at slightly over 71,000, with occupants estimated to include about 67,500 families. These figures indicate a considerable degree of crowding and doubling up in the dwelling units with family occupancy, inasmuch as many of the dwelling units are occupied by single persons or other non-family households. Almost 4 out of every 5 dwelling units in the project areas are classified by the localities as substandard. Somewhat more than half of all families in the project areas were estimated to be eligible for admission to Federal low-rent public housing on the basis of annual income.

For the 116 individual projects, estimated numbers of dwelling units and families before clearance range from zero in a predominantly open project in Chicago, Ill., to a high of 3,656 dwellings and 3,628 families in New York City's congested West Park Project. About one-fourth of the project areas contain fewer than 100 dwelling units or families, the figures rising to about 350 in the case of the median project. In only about one-fifth of the projects does the number of dwelling units or families exceed 1,000.

All but 11 of the 116 project areas represent deteriorated or deteriorating slum areas at or near the center of the communities, thus qualifying under Title I for redevelopment with Federal assistance for any appropriate new uses consistent with the community's master plans. The remaining project areas include: (a) 6 blighted predominantly nonresidential built-up areas and (b) 5 predominantly open areas, arrested subdivisions with blighted or deteriorated built-up sections.

Local plans for redevelopment of more than half, or 61, of the 116 projects are directed toward exclusive or primary residential reuse. Additional residential construction is also provided under the plans for 11 of the 55 projects to be redeveloped primarily or exclusively for nonresidential purposes as follows: commercial, 23 projects; industrial, 23 projects; and public and semipublic uses—schools, recreation areas, hospital centers, public buildings, and similar uses aimed at making the communities more livable—9 projects. Most of the projects featuring residential reuse will also set aside land for commercial and public facilities and, in some instances, industrial uses.

The local redevelopment plans feature private rental or sales housing in 60 of the 61 project areas to be redeveloped predominantly or exclusively for residential purposes. Low-rent public housing predominates in the sixty-first project and is also proposed in a subordinate role in 1 of the projects emphasizing commercial and industrial reuses and in 4 of the projects featuring private residential redevelopment.

At year's end, information was available as to the number and types of dwelling units proposed for 55 of the 61 projects featuring residential redevelopment. The density patterns to be established will permit the construction of up to approximately 38,000 dwelling units. Almost 98 percent of the proposed dwellings are to be constructed by private redevelopers, with about 3 rental dwellings contemplated for every sales unit. The remaining dwellings represent units to be added to the localities' public housing programs.

Redevelopment plans were sufficiently advanced in 47 of the 61 projects featuring residential redevelopment to permit comparison of the original and proposed residential land uses in the project areas. On the land in these projects to be made available for residential purposes—approximately 1,200 acres, or 83 percent of the total land in the project areas exclusive of streets, alleys, and other public rights-of-way—the proposed density standards will permit the construction of up to 31,500 dwellings. This contrasts with the estimated 32,500 predominantly substandard units in the approximately 800 acres of improved land (58.5 percent of the total land excluding public rights-of-way) representing the residential portion of the original land uses. Thus, the redevelopment plans contemplate an average of about 27 dwelling units per net acre, in contrast to the average of 41 prevailing at the time the 47 project areas were delineated.

Estimates of gross project costs—the total outlay involved in carrying projects to completion—for the 116 individual projects aggregate approximately $393 million. Gross costs of one-fourth of the individual projects are below $700,000. Half of the projects fall below $1.9 million. More than three-fourths are under $5 million. In only one-tenth of the projects do the estimated gross costs exceed $7 million.

Estimated net project costs—the difference between gross costs and the proceeds from land disposition—aggregate $270 million, or 68.7 percent of gross project costs, for the 115 projects for which information is available. Half of the projects show estimated net costs under $1.2 million, with more than one-fourth below $400,000. Three-fourths are under $3 million. Only about 1 project in 13 involves an estimated writedown in excess of $6 million. In most instances the writedown is due principally to the high costs of acquiring slum property, costs which prior to Title I had prevented private enterprise from acquiring and rebuilding these wornout sections. In some instances, the writedowns also reflect the high costs of correcting difficult topographical, subsoil, and flooding conditions necessary to permit suitable uses for the land.

On the basis of the estimates of gross and net projects costs, the land in the 115 project areas for which data are available is valued after clearance at $123 million for the new uses proposed under the localities' redevelopment plans.

For these 115 projects, the estimated Federal capital grants aggregate approximately $175 million. The individual estimates are under $250,000 for more than one-fourth of the projects, with more than one-half falling below $800,000. Three-fourths are below $1.9 million. For only 1 project in 13 does the estimated capital grant exceed $4 million.

D. Coordination With Other Housing Programs

As indicated earlier in this chapter, the redevelopment plans in a majority of the local Title I projects approved at the end of the year call for land to be made available for private residential construction. In a majority of these cases experience has indicated that the ability of a local public agency to dispose of the land for such uses depends on the availability of FHA-insured financing. Likewise, the ability of many local public agencies to carry out their plans for the relocation of displaced families, especially where racial minorities are present, has been found to be dependent upon the opening up of new housing areas. Here again, the availability of FHA mortgage insurance has been found to be an important factor in insuring the success of a Title I project. Steps taken during the year to promote discussion and consultation between FHA field offices and local public agencies in the initial stages of the local planning of Title I projects include procedures requiring local redevelopment agencies to obtain, at appropriate stages in the local program, the written advice and opinions of FHA on specific aspects of local redevelopment plans which may involve FHA mortgage insurance, as well as instructions issued by FHA to its field offices to render all possible assistance and cooperation.

In many cities, the Title I project areas are occupied by families of minority races, many of whom have incomes in excess of the levels permitting entrance to public housing projects. Consultation with FHA field offices early in the planning stages of Title I projects represents one element in HHFA's overall effort to encourage and assist private builders to develop both sales and rental housing—to be constructed both on Title I project sites and in other sections of the communities—available to displaced middle-income families of minority races. This and other types of Federal assistance to minimize the hardships of rehousing and give assurance of an adequate supply of housing for displaced families culminated in a policy statement and related procedures ready for issuance at the close of the year to assure that, as a result of the urban redevelopment and low-rent housing programs, the total living space presently available in any community to Negro and other racial minority families is not reduced and, wherever possible, is increased. The statement emphasizes that the objectives of the Housing Act of 1949 comprise not only the elimination and redevelopment of unsightly slums and blighted areas but, equally, the improvement of the housing conditions of American families and, particularly, families displaced from slum clearance project areas.

As stressed in previous reports and public statements and as suggested by the steps described above to facilitate close coordination between Federal housing programs, the matter of relocation of displaced families continued in 1952 to be a central problem in local slum clearance operations. Under the Act, families displaced from Title I and Title III project areas have priority for entrance into federally aided low-rent public housing. Under a policy announced early in the year by the Public Housing Administration, procedures were established for the admission of such families at income limits up to those governing continued occupancy in federally aided low-rent projects. The liberalized income limits apply only, of course, to families displaced by either a Title I or a Title III project, and not to families displaced by other local programs such as highway construction or new schools.

E. Liaison Activities

The Division continued liaison during the year with related interest organizations and groups throughout the nation. Conferences at which the Division was represented included those of the American Institute of Planners, the National Housing Conference, the American Planning and Civic Association, the American Society of Planning Officials, the National Industrial Council of the Urban Land Institute, the Massachusetts Institute of Technology Conference on City and Regional Planning, the Businessmen's Conference on Urban Problems sponsored by the U. S. Chamber of Commerce, several regional councils of the National Association of Housing Officials, and a number of other State and municipal councils on planning and housing. Staff members met from time to time with the Redevelopment Section of the National Association of Housing Officials.

In addition, two special meetings were arranged to permit the Division to obtain the views and recommendations of industrial representatives of the Urban Land Institute, members of the Society of Industrial Realtors of the National Association of Real Estate Boards, and practicing consultants in the field of industrial and commercial redevelopment.

F. State Legislation and Litigation

By the end of 1952 a total of 34 States along with the District of Columbia, Alaska, Hawaii, Puerto Rico, and the Virgin Islands, had enacted enabling legislation authorizing local public agencies to undertake slum clearance and urban redevelopment programs. These States include Alabama, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Hampshire, New Jersey, New York, North Carolina, Ohio, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Virginia, West Virginia, and Wisconsin. Despite the absence of State enabling legislation in Texas, the City of San Antonio is authorized under its city charter to undertake redevelopment projects as part of its regular municipal powers.

In Arkansas, Illinois, and Rhode Island, favorable decisions by the courts of last resort were handed down during calendar year 1952 with respect to the constitutionality of the enabling legislation in the particular State. However, the Florida statute was declared unconstitutional in August of 1952. At the close of the year, the Supreme Court of Illinois had before it a petition for a rehearing of its ruling in a case involving those portions of the Illinois Blighted Areas Redevelopment Law relating to vacant land projects. The Kansas statute was declared unconstitutional in October of 1951 because of certain legislation not involving the basic soundness of the slum clearance and urban redevelopment powers.

During 1952, only a few State legislatures were in session. However, the Commonwealth of Massachusetts authorized the creation of redevelopment authorities in each city and town (except Boston) to exercise powers already existing in housing authorities to carry out slum clearance and urban redevelopment projects; in Boston, the housing authority continues as the public agency authorized to undertake such projects. Two other States, Georgia and Michigan, enacted legislation which amended existing laws.

Chapter VIII

HOUSING RESEARCH IN 1952

A. Introduction

The Division of Housing Research, at the end of its third full year of operation, can report progress toward realization of some of its basic objectives and the identification of the need of further research as regards others.

The Government's housing research program, authorized by Title III of the Housing Act of 1948 (as amended), has a basic purpose: to encourage and stimulate the sustained production of improved dwellings in an adequate volume at decreased initial and operating costs.

The accomplishment of this purpose necessarily covers a wide range of activities. The program of research which has been developed encompasses the following:

1. Coordinating existing research in housing, encouraging research by industry, and filling wherever possible the gaps that exist in housing knowledge.

2. Promoting greater uniformity in construction standards, urging more modern and realistic building codes, and seeking improved code administration.

3. Assisting in the long-range industry-sponsored movement toward construction standardization, the modular coordination program.

4. Increasing the livability of the house as an entity, including continuing research into the many facets of good design and construction, both as to the structure within, and the relationship of the house to lot and neighborhood.

5. Helping to engineer the house for efficient use of materials and labor in order to permit the production of better quality housing at lower costs.

6. Analyzing local housing markets, housing trends and availabilities, and transmitting to builders the stated desires of prospective home buyers.

7. Investigating the availability and flow of construction and mortgage funds.

8. Making regular distribution of statistical reports on rates of dwelling construction, trends in cost, mortgage debt, and savings.

The Division uses two methods to accomplish its work (*a*) staff research carried out by its technicians and (*b*) contract research in which investigations are pursued by other departments of the Government and by nonprofit research organizations, such as colleges and universities. At the end of 1952 the Division has received final reports on 56 of the 89 research contracts entered into by HHFA, leaving 33 active investigations under way.

B. Major Program Activities

Although no new major contract research was undertaken in 1952, a considerable portion of the Division's resources was devoted to evaluating, correlating, revising, and making available to the public the results of research previously conducted. Among the more important accomplishments of the Division during the year were:

1. Uniformity in Standards and Codes

a. Work of the Joint Committee on Building Codes

By year's end, 19 of the 24 chapters of *Comparative Tables of Technical Provisions of Building Codes* had been prepared by the Division. Primary use of these tables is to give the Joint Committee on Building Codes (on which the Agency is represented) a basic working document upon which they can make analyses and decisions designed to improve and promote the use of uniformity in building codes. The remaining chapters are in process.

A preliminary draft of *Recognized Standards and Publications Used in the Preparation and Revision of Building Codes* has been distributed to various code groups, manufacturers, organizations of building officials, and the like, for review and comment. This document also shows the extent of use of nationally recognized standards by the four major code-drafting groups.

In this connection, a coordinating and unifying effect on building standards and regulations of the work of the Joint Committee on Building Codes is beginning to be apparent. During 1952 the American Standards Association used the Joint Committee's work on design-load requirements as a basis for preparing a revision of the *ASA Building Code Requirements for Minimum Design Loads in Buildings and Other Structures.* The National Fire Protection Association reported the use of Joint Committee recommendations in two forthcoming NFPA standards on interior trim and finish of buildings and types of construction. Another work, *Report of the Coordinating Committee for a National Plumbing Code*, now has been adopted—or its basic principles have been followed—by 243 American cities and 7 States. Puerto Rico and 2 Canadian cities have followed suit.

During the latter part of 1952 the Division received the preliminary results of contract research which is designed to help local building officials improve the administration and enforcement of their local building codes. The five studies of various aspects of local code administration which comprise these research results are written for use in locally sponsored in-service training programs for building officials. The original work was done in close cooperation with regional associations of building officials.

The first practical use of the training materials was begun in December 1952 by Wayne University, Detroit, Mich., in cooperation with the Building Officials Conference of Michigan, which undertook to establish an evening training program at the University for building officials in the Detroit area. Future sponsorship of local programs using these research results has been offered by the American Society of Building Officials, which represents the majority of the organized building officials in the United States.

b. Progress in Standards

The Division completed and published a number of recommended standards for various phases of housing practice during the year and assisted in the preparation of others for the Office of the Administrator. In the latter category were *Suggested Land Subdivision Regulations*, *Performance Standards for Relocatable Housing*, and *Recommended Standards for Trailer Courts*.

Also, staff technicians had completed, at the request of the Bureau of the Budget, a manual of design standards for the construction of permanent family housing for Federal personnel. Publication in 1953 is expected.

A research publication entitled *Snow Load Studies*, based upon a research project in cooperation with the U. S. Weather Bureau, was issued, forwarded to the American Standards Association, and has been accepted as a basis for revision of ASA Standards for minimum design roof loads for buildings. Since many building code authorities adopt ASA Standards by reference, this work should result in widespread uniformity and cost reduction in roof design.

An investigation into concrete masonry units was completed during the year in cooperation with the University of Toledo and is to be printed early in 1953 under the title, *Relation of Shrinkage to Moisture Content in Concrete Masonry Units*. The publication will be sent to the American Society for Testing Materials for consideration as a basis in revising its standards. It is believed that this will have an important effect on reducing shrinkage cracking of concrete masonry walls, through improved methods of manufacture and by more informed use by builders.

2. Modular Coordination

Considerable progress has been made toward development of the use of the principles of modular coordination in dwelling construction. To supplement previously issued educational aids in this field, there was prepared a preliminary draft of a booklet, contracted for in 1951, explaining for construction superintendents the use of modular coordination in practical construction. A series of lantern slides with an accompanying lecture text was prepared for the use of educators in various schools. Additional series are in preparation.

During 1952, the Division was requested by sponsors of American Standards Association Project A–62 to assume the responsibility for the revision and bringing up to date of the important A–62 Guide for Modular Coordination which has achieved widespread distribution since it was first issued in October 1946.

Three motion picture films were prepared in connection with the design and construction of demonstration houses under HHFA sponsorship at the University of Illinois, Southwest Research Institute, and New York University. In each instance two demonstration houses were designed and built as a result of effective cooperation between the educational institutions, industry, and the Federal Government. They were to demonstrate the value of recent techniques in reducing time and material requirements without a corresponding reduction in quality. The designs and use of material were based upon the modular principle. Although final reports on these projects were not received during calendar year 1952, interim information indicates that they will produce results of considerable value.

3. Livability of the House as a Whole

Under HHFA sponsorship, the Massachusetts Institute of Technology conducted and has reported upon a study into the application of climatic data into house design. The accumulated knowledge about weather and the factors of climate have only in recent years begun to be applied scientifically to house design. Although a number of worthwhile studies have already sought to relate climatic data to housing, objective ways of doing so have remained limited. This study carries forward, in some important phases, the direct application of these data to the improvement of the livability factor of housing.

During the same period, research at the University of Illinois, sponsored by HHFA, has developed a technique for testing the use of space within a small dwelling by means of the use of a flexible space laboratory with easily changed room arrangements. Engineers, architects, anthropologists, and sociologists have been able to observe the effects of varying room arrangements upon occupants who have actually lived under the various combinations. Although the research was not completed during 1952, results indicate that a technique has been found which can assist in allowing increased efficiency in the use of space in a small home.

4. Engineering the House

Investigation into house structure is a continuous Division activity, embracing both staff and contract research. Most HHFA publications in this field are staff conclusions based upon scientific tests carried out under contract.

a. Foundation and Floors

Concrete slab-on-ground basementless houses have been growing in favor. Out of the numerous investigations made, the Division has published recommendations for a heavier waterproof membrane to underlay the slab in order to reduce vapor infiltration into the slab. Other publications on the subject are in process.

b. Walls

The demonstration houses previously mentioned were projected for a variety of reasons, one of them being tests of new wall-erection techniques. Each of the three is different, and each of the three is a test of a new concept. Particularly important in this project was the type of undertaking, the melding of the combined resources of Government, science, and private industry. The points to be demonstrated were determined by the Division; the funds for design engineering were provided by HHFA; the designs were made by three nonprofit research institutions; the houses were erected for sale by private builders, using their own funds for the purposes.

c. Roofs

New roof designs, particularly the use of the easily erected wood truss, have engaged the interest of the Division during the year. Each of the demonstration houses erected has been of the truss roof pattern. In addition, a clear-span roofing method for a 1½-story house has been developed by the Small Homes Council, University of Illinois. Results of this investigation were to be sent to interested builders and others at year's end.

d. Plumbing and Sanitation

Published during the year was a booklet of suggestions for plumbing fixture arrangements and the results of tests of food-waste disposal units, one of a wide variety of studies being made by the Division into the broad field of plumbing and sanitation. Under way are studies of good septic tank installations, of plastic plumbing pipes, of pipe corrosion, of safe water for the house (subject of a motion picture made by the University of Iowa), and of many other plumbing and sanitation problems.

e. Heating and Ventilation

Published during the year were articles on metal saving in domestic heating, cold-weather roof leaks, and insulation. Other studies under way include investigations into radiant heating—and cooling, the effects of condensation in the house and how to prevent it, water heaters, and other heating and ventilating problems.

5. Market Analyses

To supplement *Record Keeping for Small Home Builder*, released at the close of 1951, work was undertaken during 1952 on the development of a companion manual for moderate-sized builders. This new publication is expected to be released late in 1953. The *Survey of Materials Use*, an analysis of the changes in the characteristics and materials used in the construction of single-family dwellings during the decade of the 1940's, was published during 1952. The data therein, particularly the regional figures, should be of great assistance in the better planning of production and distribution of building materials and equipment.

The year 1952 also saw the issuance of *Practices and Precepts in the Marketing of Prefabricated Housing*, which provided new facts on the prefabricated house industry. An interim report on the impact of the Atomic Energy Commission's vast Savannah River plant has been used by analysts of housing and community facility requirements both there as well as in other defense-impacted areas.

Substantial progress was made during the year toward the completion of a series of monographs focused upon the problems of local housing market analysis. Publication of these studies is scheduled for 1953. Further work, aimed at early 1953 completion, was done upon a study of the growth patterns of American cities for the purpose of providing a better basis for understanding and guiding the rate and direction of growth of urban areas. A study was inaugurated during 1952 of the whole broad problem of the use of rehabilitation and neighborhood conservation as a means of arresting urban blight. Out of this study will emerge a series of guide lines which will assist communities in more effectively attacking their local problems through a coordinated program of conservation, rehabilitation, and new construction.

6. Reports on Mortgage Markets

During 1952 the Division completed the last two of its investigations into the mortgage markets of three types of local residential mortgage markets selected because of their different relationships to the national mortgage financing structure. Hagerstown, Maryland, is a small city removed from any larger center of financial capital accumulation. The Jacksonville, Florida, metropolis depends largely on out-of-state funds to support a high volume of residential building. In the San Francisco Bay area, local sources have supplied the major funds for home financing, but large outside lenders exert a strong influence.

Reports have been published on each of these cities, individually, and, on the basis of these studies and fragmentary data available about other local and regional mortgage market operations, an analytical article, *National and Local Mortgage Market Structures*, was prepared for *Housing Research*, the Division's publication.

As a byproduct of one of the mortgage market investigations, data were obtained, analyzed, and published on mortgage-loan closing costs. This publication is believed to be the first reference source devoted to an explanation of closing costs.

7. Research Coordination

Housing research was quickened both in depth and extent by organizations outside the Federal Government during the year. No precise comparison can be made of 1952 against previous years because, until the publication by HHFA in 1952 of *A Survey of Housing Research in the United States*, there had been no national compilation of housing research activities. Nevertheless, the trade press in 1952 has been filled with anouncements of new research by private industry and by educational groups. The recent announcement of a comprehensive research program by the National Association of Home Builders is an example.

C. Publications

The Division issued, during 1952, 14 new research publications, plus three issues of *Housing Research* which contained a total of 20 staff-written articles.

In the short span of the Government's housing research program, more than one million copies of its findings have been issued in published form. Reprints of this material by a variety of publications have swelled the total audience to many times that number. Numerous requests for HHFA publications and for permission to republish come from foreign countries.

Chapter IX

THE SECONDARY MORTGAGE MARKET: FNMA

A. Historical Background

The Federal National Mortgage Association (FNMA) administers the Government's limited secondary market operations for the purchase and sale of certain types of home mortgages. Originally a subsidiary of the Reconstruction Finance Corporation, the Association was transferred to the Housing and Home Finance Agency on September 7, 1950, pursuant to Reorganization Plan No. 22 of 1950, in order that the functions performed by FNMA could more readily be coordinated with other Federal housing programs.

Initially the Association's operations were directed toward helping to provide a nationwide secondary market for FHA-insured mortgages and toward establishing the acceptability to investors of certain new types of FHA-insured mortgages. In July 1948 these activities were expanded by congressional enactment to include certain types of VA-guaranteed mortgages. Beginning in July 1951 and continuing throughout 1952, a large part of FNMA's purchasing authority was utilized to assist in providing the financing required for the production of defense, military, and disaster housing.

In carrying out these programs, the Association from the date of its inception in 1938 through 1952 has purchased nearly half a million mortgages amounting to $3,401 million. Sales of these mortgages totaled $822 million, equal to almost one-fourth of all purchases. In addition, repayments and other credits have amounted to $338 million. As a result, FNMA's mortgage portfolio at the end of 1952 amounted to $2,242 million. The balance of the Association's $3,650 million authorization on that date consisted of $323 million in outstanding commitments and $1,085 million was available for the purchase of other mortgages.

As a direct consequence of FNMA's secondary market operations, the production on a large scale of urgently needed housing has been materially facilitated, and in many instances such housing might not have been produced without the Association's financial assistance.

B. The Purchasing Program

1. Summary

During 1952 the Association purchased 65,963 mortgages aggregating $538 million. This dollar amount was one-fifth less than in the

ORGANIZATION AND FUNCTION CHART OF THE FEDERAL NATIONAL MORTGAGE ASSOCIATION

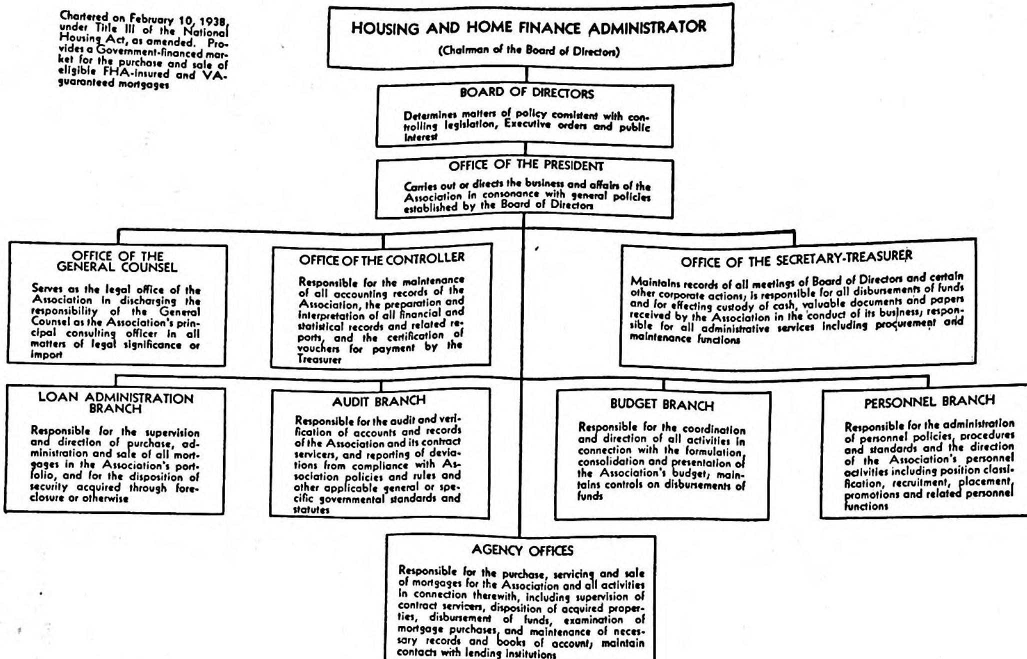


CHART 9.

previous year and the lowest volume since 1948. This decline largely reflected the fact that beginning on April 2 the Association discontinued the acceptance of further over-the-counter deliveries of nondefense and nondisaster housing mortgages, due to exhaustion of funds for these purchases, and did not resume over-the-counter purchases of these types of mortgages until September 2. Of the total purchases during the year, $83 million were made pursuant to commitment contracts previously entered into and the remainder, $455 million, were made on an over-the-counter basis. Included in the purchases during 1952 were 128 mortgages aggregating $3 million covering housing in Alaska and 13,233 mortgages in the amount of $116 million on defense, military, and disaster housing.

On December 31, 1952, outstanding commitment contracts of all types aggregated $323 million, including $277 million on defense, military, and disaster housing, $23 million on Alaska housing, $12 million on cooperative housing (FHA Section 213), and $11 million covering FHA Section 608 mortgages that were made under the former commitment procedure.

2. Types of Mortgages Purchased

In calendar year 1952 the Association purchased eligible mortgages insured by FHA under Sections 8, 203, 207 (defense housing only), 213, 603, 608, 803, 903, or 908 of the National Housing Act, as amended, or guaranteed by VA under Sections 501, 502, or 505 (a) of the Servicemen's Readjustment Act, as amended.

In 1952 the Association purchased 20,477 FHA-insured mortgages amounting to $168 million and 45,486 VA-guaranteed mortgages in the amount of $370 million. In dollar volume, 69 percent of FNMA purchases during the year were VA-guaranteed mortgages as compared with 89 percent in 1951, 95 percent in 1950, and 62 percent in 1949. Purchases of VA-guaranteed mortgages during the first half of 1952 exceeded purchases of FHA-insured mortgages by more than 4 to 1; deliveries covering defense and disaster housing, principally FHA-insured types, reduced this ratio to a more nearly even basis during the second half of the year.

3. Purchase of Defense, Military, and Disaster Housing Mortgages

During 1952 the total amount of the Association's authority to have advance commitments outstanding at any one time for the purchase of eligible mortgages covering defense, military, or disaster housing was increased by $952 million from the maximum of $200 million permitted under the Defense Housing and Community Facilities and Services Act of 1951 (P. L. 139, approved September 1, 1951).

Unexecuted applications for FNMA commitments on hand when the commitment authority under Public Law 139 expired on December 30, 1951, exceeded the maximum dollar amount of such commitments that could be made under that law by more than $45 million. For this reason, the Congress, in Public Law 309 (approved April 9, 1952), increased the commitment authority provided for in Public Law 139 from $200 million to $252 million and authorized the Association to issue commitments for the purchase of mortgages covered by the unexecuted applications and also for the purchase of mortgages covering certain additional military housing projects.

The area of the Association's participation in the program to provide defense, military, and disaster housing was substantially broadened by the provisions of the Housing Act of 1952 (P. L. 531, approved July 14, 1952). Under this legislation, FNMA's authority to issue commitments before July 1, 1953, was increased from $252 million to $1,152 million outstanding at any one time for the purchase of eligible FHA-insured and VA-guaranteed mortgages covering:

(*a*) Defense housing programed by the Housing and Home Finance Administrator in an area determined by the President of the United States or his designee to be a critical defense housing area;

(*b*) Military housing with respect to which the Federal Housing Commissioner has issued a commitment to insure pursuant to Title VIII of the National Housing Act, as amended; or

(*c*) Disaster housing intended to be made available primarily for families who are victims of a catastrophe which the President of the United States has determined to be a major disaster.

The Association, by administrative action in 1951, set aside $600 million of its uncommitted funds to be available solely for the purchase, on an over-the-counter basis, of eligible mortgages covering defense, military, or disaster housing. As a result of the enactment of Public Law 139, Public Law 309, and Public Law 531, eligible mortgages covering defense, military, or disaster housing may be purchased not only on an over-the-counter basis but also pursuant to commitment contracts.

The extent of FNMA participation in the defense housing program is evident from the following figures. Cumulatively through December 31, 1952, there have been 98,224 units of defense housing programed by HHFA in 206 critical defense areas. At year end the Association had issued commitments or purchase authorizations for the purchase of mortgages covering approximately 36,330 housing units in 136 critical defense areas where 77,838 housing units had been programed. Of the 27,817 housing units on which construction had been completed by the end of December 1952, about 50 percent or 13,997 units were covered by mortgages purchased by the Association.

In calendar year 1952, the Association issued commitments and purchase authorizations for the purchase of mortgages relating to defense, military, and disaster housing in the aggregate amount of $207 million and during the same period purchased 13,233 mortgages in these three categories with principal balances aggregating $116 million and providing 15,371 units of housing. At the end of 1952, outstanding commitments for defense, military, and disaster housing mortgages aggregated $277 million, and $773 million remained available for either over-the-counter or commitment purchases of additional mortgages in these categories.

The following table summarizes the extent of the Association's participation in the defense, military, and disaster housing program during calendar year 1952:

[Dollar amounts in millions]

Type of housing	During the year				As of year end—undisbursed commitments
	Advance commitments and purchase authorizations	Commitments canceled	Purchases		
			Amount	Units	
Defense	$152.1	$11.3	$105.6	13,972	$174.5
Disaster	4.9	(1)	8.4	1,174	4.1
Military	49.7	2.4	1.8	225	98.2
Total	206.7	13.7	115.8	15,371	276.8

[1] Less than $0.05 million.

4. Purchases of Nondefense Housing Mortgages

Cooperative housing.—The Association in 1952 issued commitments totaling $6 million for the purchase of cooperative housing mortgages committed for FHA insurance under Section 213 of the National Housing Act as authorized by Public Law 243 (approved October 30, 1951). FNMA purchased 133 cooperative housing mortgages aggregating $2 million during the year, including over-the-counter purchases of 131 mortgages amounting to $1 million. Undisbursed commitments of $12 million covering this type of housing were outstanding at the end of 1952.

Other nondefense and nondisaster mortgage purchases.—In contrast with military, defense, and disaster housing mortgages, which may be purchased either over the counter or pursuant to commitment contracts, nondefense and nondisaster housing mortgages (other than cooperative housing mortgages covered by FNMA prior commitments and mortgages covering Alaska housing) may be purchased only on an over-the-counter basis. On April 2, 1952, the Association discontinued the acceptance of further over-the-counter deliveries of nondefense and nondisaster housing mortgages because at that time funds available for such purchases had become exhausted. As a consequence of the enactment of Public Law 531, $362 million of the $600 million that had previously been set aside for over-the-counter purchases of eligible defense, military, and disaster housing mortgages was made available for the purchase of eligible mortgages covering nondefense and nondisaster housing. Mortgage sales, repayments of principal, and other principal credits had increased these funds to approximately $405 million on September 2, 1952, when the Association resumed over-the-counter purchases of these types of mortgages.

FNMA purchases of nondefense and nondisaster mortgages were limited in two important respects by Public Law 531 which provided that, except for mortgages covering defense, military, and disaster housing, (*a*) no mortgages may be purchased by the Association unless they were insured or guaranteed after February 29, 1952, and (*b*) purchases must be limited to not more than 50 percent of the overall dollar amount of all mortgage loans originated by the seller, which would otherwise qualify for FNMA purchase. The purchase of nondefense and nondisaster FHA and VA mortgages was further restricted by FNMA administrative action to not more than 25 percent of the overall dollar amount of certain FHA-insured mortgages and to 50 percent of certain VA-guaranteed mortgages, computed separately as to each type, originated by the seller and otherwise eligible for sale to the Association. These statutory and administrative restrictions are not applicable to FHA-insured mortgages covering Alaska housing.

In addition to the cooperative housing mortgages previously referred to, the Association during 1952 purchased on an over-the-counter basis 52,595 other mortgages amounting to $414 million covering nondefense and nondisaster housing, and 2 mortgages, aggregating $6 million, on those types of housing were purchased pursuant to prior commitment contracts.

C. The Mortgage Sales Program

It is the Association's policy to dispose of its portfolio of mortgages to eligible investors as rapidly as the mortgages can be absorbed by institutional or other long-term investors. In cumulative dollar totals, about 51 percent of all FHA-insured mortgages purchased by FNMA from February 1938 through 1952 have been sold, while 13 percent of the VA-guaranteed mortgages purchased since midyear 1948 have been sold. The following table shows the relationship between purchases and sales from 1938 through 1952:

FNMA purchases and sales, 1938–52

[Dollars in millions]

Agency and section of act	Mortgage purchases	Mortgage sales	Sales as percentage of purchases
Total	$3,401.3	$821.8	24.2
FHA	1,002.6	510.3	50.9
Sec. 8	23.6	.2	.8
Sec. 203	488.5	268.5	55.0
Sec. 207	6.1	.4	6.6
Sec. 210	.3		
Sec. 213	2.4		
Sec. 603	339.5	207.7	61.2
Sec. 608	60.6	31.5	52.0
Sec. 803	1.9	1.9	100.0
Sec. 903	78.4	.1	.1
Sec. 908	1.3		
VA	2,398.7	311.5	13.0
Sec. 501	2,374.5	296.8	12.5
Sec. 502	1.9		
Sec. 505 (a)	22.3	14.7	65.9

During 1952 the Association sold a total of 6,928 mortgages with unpaid principal balances of $56 million. Of these mortgages, $36 million were FHA insured and $20 million were VA guaranteed. Although sales of FNMA mortgages during the second half of the year showed an improvement of about 40 percent over the level of the preceding 6-month period, the unsettled condition of the mortgage market, which has existed for more than a year, continued to have an adverse effect on the results of the Association's efforts to reduce its mortgage portfolio. Total sales for the year were only about half of the 1951 volume. However, more than two-fifths of the 1952 sales total was closed in the last quarter. At the end of the year, options amounting to $29 million for the purchase of mortgages from FNMA's portfolio were outstanding, as compared with $17 million at the end of 1951. Much of the recent interest in the purchase of FNMA mortgages is attributable to the inauguration by the Association of a special Purchase Receipt program discussed below. It appears not improbable, however, that the advantageous competitive position enjoyed by conventional mortgages and the influence of other yield factors may, for a while at least, continue to have an unfavorable effect upon large-volume FNMA sales.

Purchase Receipt Program

In an effort to stimulate the sale of FNMA mortgages, the Association on October 1, 1952, inaugurated a program whereby special Purchase Funds were established to be available for over-the-counter purchase of eligible mortgages from those institutions that purchase nondefense and nondisaster mortgages from FNMA's portfolio. This program contemplated that a nonassignable or nontransferable Purchase Receipt would be issued either to (*a*) the purchaser that signed FNMA's mortgage sales agreement or (*b*) FNMA's immediate assignee of the mortgage in an amount equal to the unpaid principal amount of such nondefense and nondisaster mortgages purchased from FNMA's portfolio; the holder of the Purchase Receipt would thereafter be permitted to sell to the Association within a year an equal amount of such mortgages which at the time of delivery meet all of the statutory and administrative requirements applicable to other over-the-counter sales to FNMA. The waiting period of 2 months following the date of the VA guaranty or the FHA insurance was waived in connection with purchases made by FNMA under this program. This action by FNMA, while not constituting a contractual undertaking to purchase mortgages, represented the maximum administrative action that the Association could take under the law to assure that Purchase Funds would be available for over-the-counter purchases from holders of Purchase Receipts.

The Purchase Receipt program was initially intended to apply only to purchases of nondefense and nondisaster mortgages made from FNMA's portfolio during the months of October, November, and December 1952; however, it was subsequently extended so as to be applicable to such transactions that occurred during the first 6 months of calendar year 1953. During the months of October, November, and December 1952, Purchase Receipts amounting to $19 million were issued in connection with the sale of 1,360 VA-guaranteed mortgages totaling $10 million and 593 FHA-insured mortgages amounting to $9 million.

D. Other Liquidation

Foreclosure proceedings were completed during calendar year 1952 on 1,542 mortgages with unpaid principal balances of $11 million. Repayments, including the final repayments on 2,190 mortgages, aggregated $79 million. Of FNMA's total mortgage investments, 34 percent have been liquidated through sales, repayments, or by other means. The FHA ratio of liquidation from 1938 through 1952 was 68 percent, while the VA ratio from July 1948 (when FNMA was authorized to purchase VA-guaranteed mortgages) through 1952 was 20 percent. The FHA ratio in the period since July 1948 was 56 percent.

E. Status of Purchasing Authority

Under Public Law 531, the total amount of investments, loans, purchases, and commitments that may be made by the Association was increased from $2,750 million outstanding at any one time to $3,650 million provided that not more than $2,750 million of such amount outstanding at any one time shall relate to mortgages other than those covering defense, disaster, and military housing.

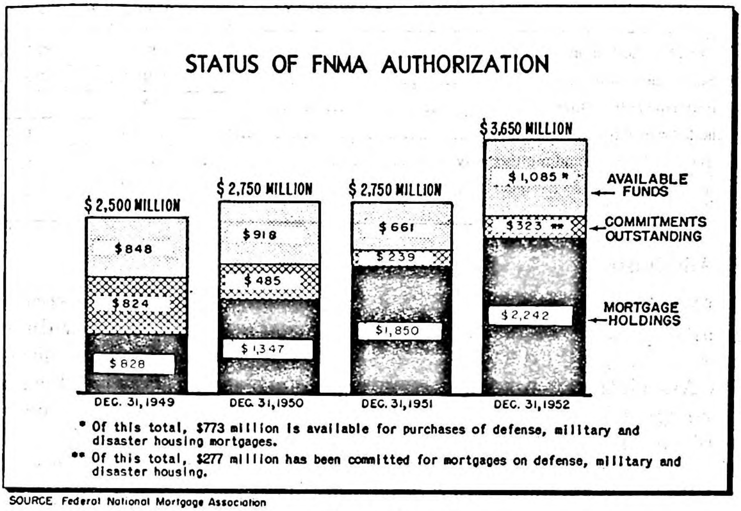


CHART 10.

At the end of 1952, the Association's mortgage portfolio consisted of 315,581 mortgages with aggregate principal balances of $2,242 million, representing a net increase during the year of $392 million in dollar amount and of 55,303 in the number of mortgages, or 21 percent. Holdings of FHA-insured mortgages amounted to $320 million (14 percent), while VA-guaranteed mortgages totaled $1,922 million (86 percent). Outstanding commitments to purchase mortgages at year end totaled $323 million as compared with $239 million the previous year. The amount of unused authorization available for the purchase of additional mortgages was $1,085 million at the end of 1952, of which $773 million was available solely for the purchase of qualified military, defense, and disaster housing mortgages either on an over-the-counter basis or pursuant to advance commitment contracts. This left a maximum of $312 million available for over-the-counter purchase of other eligible mortgages, including $18 million for the purchase of mortgages from Purchase Funds established in connection with the sale of mortgages covering nondefense and nondisaster housing.

The status of FNMA's purchasing authority on December 31, 1952, and December 31, 1951, is shown in the following table:

[In millions of dollars]

Item	Dec. 31, 1952	Dec. 31, 1951
Total authorization	$3,650.0	$2,750.0
Mortgage balance outstanding	2,241.7	1,849.5
Commitments outstanding	322.9	239.1
Available for new purchases	1,085.4	661.4
Programed defense and military only	762.2	396.3
Disaster	11.4	16.2
Outstanding purchase receipts	18.4	
Other eligible mortgages	293.4	248.9

F. Administration

FNMA activities are administered through six field offices strategically located to best serve the needs of organizations and individuals that do business with the Association. In addition to these field offices, the Association maintains a small branch office in Puerto Rico, a mortgage sales office in New York City, and an administrative office in Washington, D. C. Prior to its transfer to HHFA, FNMA's activities were conducted in the 31 offices of RFC. As a result of increased workloads attributable to a larger mortgage portfolio, additional requirements and responsibilities imposed by legislation enacted in 1952, and special efforts made to increase sales of FNMA mortgages, the personnel of the Association increased from 616 at the end of 1951 to 720 as of December 31, 1952. This year-end number of personnel compares with the 954 positions the Association had at the time of its transfer from RFC to HHFA in September 1950 and represents a personnel reduction of 25 percent; this was accomplished despite almost doubling its mortgage portfolio, as well as a substantial expansion of workloads and responsibilities by reason of legislation enacted during the intervening period.

The statutory charter of the Federal National Mortgage Association provides for a Board of Directors which determines the policies of the Association. Except for one director who is appointed by the Administrator of Veterans' Affairs, all of the members of the Board are appointed by the Housing and Home Finance Administrator as sole stockholder from among the officers and employees of HHFA, including its constituent agencies. The business affairs of the Association are administered by its President as chief executive officer.

The Association is a wholly owned and self-supporting agency of the Government and receives no direct appropriations for the payment of administrative or other expenses. During the period of its existence through December 1952, FNMA has paid (or has authorized the payment of) dividends amounting to $91.9 million, of which $31.9 million were authorized for payment to the Treasury in 1952. During 1952, FNMA's net income was $30.7 million and cumulatively through December 31, 1952, aggregated $109.9 million.

Chapter X

HOUSING LOAN PROGRAMS

A. Prefabricated Housing Loan Program

The President's Reorganization Plan No. 23 of 1950 transferred to the Housing and Home Finance Administrator all of the functions of the Reconstruction Finance Corporation under Section 102 of the Housing Act of 1948, as amended, relating to loans to provide financial assistance for the production of prefabricated houses or prefabricated housing components or for large-scale modernized site construction, together with all of the functions of RFC "with respect to financing predominately for the production, manufacture, distribution, sale, purchase, or erection of prefabricated house sections or panels or site improvements, therefor." Section 502 of Public Law 139, 82d Congress, authorizes the Administrator to make loans to "assure the maintenance of industrial capacity for production of prefabricated housing and prefabricated housing components so that it may be available for purposes of National Defense."

Under the authority transferred through the Reorganization Plan, loans aggregating $57 million may be outstanding at any one time and under the authority provided in Public Law 139, loans totaling $15 million may be outstanding at any one time. In both instances, funds are provided through borrowings from the Secretary of the Treasury at an interest rate determined by the Secretary, taking into consideration the current average rate for marketable obligations of the United States. The rate to HHFA at the end of 1952 was 2 percent. Loans to borrowers are being made at an interest rate of 5 percent plus reasonable service charges. Both programs are being administered by the Division of Community Facilities and Special Operations.

During the 1952 calendar year, the authority transferred from RFC was subject to a restriction contained in the Independent Offices Appropriation Act of 1952, limiting new commitments to those cases where, in the opinion of the Administrator, the financing is necessary to protect the Government's investment in existing loans. Liquidation of loans identified at the time of the transfer as having no practical prospect of success was either completed or was substantially completed. Repayments and charge-offs of liquidated loans reduced outstanding balances from $29.6 million to $8.5 million, after giving effect to additional disbursements of $2.7 million. Five loans involving total authorizations of $16.0 million were paid in full during the year.

Several of the loans embrace revolving fund features and permit borrowers to reuse funds received in the repayment of collateral items such as inventory, assigned accounts, and mortgage notes. For instance, two borrowers used commitments totaling approximately $12.0 million to finance approximately $40.0 million of builder-dealer accounts over a period of about 30 months. The actual dollar activity of the program, therefore, can be reflected only by giving effect to this feature of the loans. In all, more than $29.0 million was paid into and disbursed from these revolving accounts during the year.

Under the authority provided in Public Law 139, loan authorizations with one exception were made for the purpose of financing sales; in some instances they were made to the manufacturer and collateralized by assigned accounts and mortgage notes, and in other instances they were made directly to builders to finance operations involving prefabricated houses produced by qualified manufacturers. During the year, 5 loans aggregating $4.0 million were made to finance 1,500 housing units. Total disbursements on the loans aggregated $2.3 million, and repayments of $1.5 million were made on principal.

[Dollar amounts are in millions]

Item	Total program		Section 102a	
	1952	Change from 1951	1952	Change from 1951
Total prefab authorization	$72.3	−1.8	15.0	0
Loan commitments (year end) cumulative	48.4	+4.2	+4.3	+4.0
Loan disbursements (year end) cumulative	42.8	+5.0	2.3	+2.3
Undisbursed loan commitments (year end)	3.0	−1.6	1.9	+1.6
Repayments	25.5	+18.2	1.5	+1.5
Outstanding principal balance	9.3	−21.1	.8	+.8
Funds still remaining	59.9	+19.9	12.2	−2.4

Just prior to the close of the year, an additional loan of $4.2 million was earmarked for commitment on terms to be determined later in connection with a 344-unit project in Kodiak, Alaska, to provide critically needed housing for naval personnel.

The combined program, including the loans transferred from RFC, involves a total of 150 loans to 136 borrowers as reflected in the following table:

Authorization	Total number		Number loans transferred	Number loans made by HHFA	Number loans outstanding 12-31-52
	Loans	Borrowers			
Sec. 102a	6	6		6	5
102	27	18	20	7	13
4 (a) (1)	14	14	14		4
Other	103	102	103		91
Total	150	[1] 140	137	13	113

[1] Variation from text due to inclusion of loans to same borrower under different authorities.

At the end of the year there was a total of $59.9 million still remaining of funds authorized under both programs. However, there are restrictions on the use of the remaining funds as noted above.

B. Alaska Housing Program

A basic problem in the development of Alaska has been the provision of adequate housing. In order to encourage the growth of the Territory and to strengthen its strategic defense role, the Alaska Housing Act was passed in April 1949. This law authorized a threefold approach to the special difficulties of housing finance and construction in Alaska—liberalized FHA insurance, FNMA advance commitments and direct loans, and a federally provided revolving loan fund for the Alaska Housing Authority. During the 3 years they have been in operation, these measures have aided in providing the financing for over 6,000 new dwelling units.

The Alaska Housing Act, as amended, authorized FHA to insure mortgages on Alaskan properties in amounts up to 50 percent larger than in the United States; the property or project need only be an "acceptable risk" in view of the acute housing shortage (rather than "economically sound"); and the Alaska Housing Authority, an instrumentality of the Government of Alaska, may be the mortgagee or mortgagor. In the case of a multifamily rental housing project, the mortgage may be in an amount equal to 90 percent of the replacement cost of the project. FHA insurance written during 1952 covered 617 dwelling units. After allowing for amendments, this brought the total since the passage of the Alaska Housing Act to 4,192 units. Of this total, 3,582 units are covered by project mortgages and the remaining 609 units are in 1- to 4-family structures. More than nine-tenths of the total represented new construction. At the end of 1952, there were outstanding commitments to insure an additional 1,500 units.

The Federal National Mortgage Association is permitted by the Act to make FHA-insured direct loans and construction advances on properties in Alaska, and may make advance commitments and purchase mortgages insured by FHA or guaranteed by VA without regard to any other provision of its charter. Since the passage of the Act, FNMA has been the most important single source of financing for Alaska housing. During 1952, authorizations amounted to $12.9 million and included 1,047 dwelling units. In total, FNMA authorizations for Alaska housing mortgages have amounted to $43.7 million, providing financing for 3,472 units. Of this $32.5 million has been for rental housing under FHA Sections 207 and 608. Included in the total are 14 direct loans and construction advances made or committed. These amount to $23.7 million and will finance about 2,040 units.

In addition, the Act authorized a revolving fund, for which $19 million has been provided by appropriations, for loans by the HHFA Administrator to the Alaska Housing Authority. With the proceeds of the loans and other funds at its disposal, the Authority in turn may make mortgage loans, undertake the construction and sale or rental of dwellings, when private sponsorship is not available, and use up to $1 million for character loans of not more than $500 to natives in remote areas for the improvement or construction of their dwellings. During 1952, loan commitments made to the Alaska Housing Authority amounted to $6.4 million, to bring the total to $12.8 million. Most of this total, $12.0 million, was for first mortgage loans on 897 dwelling units. These are principally at Anchorage. In addition, second mortgage loans amounting to $359,000 were made to aid in financing 258 dwelling units, and $329,000 in character loans for the construction or improvement of about 700 units in remote areas were made. The balance of about $20,000 was advanced to meet the early operating expenses of the Authority. Virtually all of the housing assisted by these loans has been undertaken by private enterprise, the Authority itself having constructed only 35 dwelling units. Of the total of $12.8 million in loan commitments to the Authority, $1.2 million has been repaid, and undisbursed commitments and cancellations amounted to $0.9 million, leaving an outstanding balance, as of December 31, 1952, of about $10.7 million.

Within HHFA, the Division of Community Facilities and Special Operations has been assigned administrative responsibility for the program.

C. College Housing Program

December 31, 1952, marked the end of the first full year of operation for the college housing program authorized by Title IV of the Housing Act of 1950. This Act authorized direct Federal loans at low rates of interest to aid institutions of higher learning in meeting their needs for additional housing facilities for students and faculty, and provided a borrowing authorization for a total of $300 million. Loans are to be repaid within a period of not more than 40 years and are to bear interest at a rate equal to one-quarter of 1 percent above that on the most recently issued Government bonds having a maturity of 10 years or more. The 2.76-percent rate on Series K Treasury bonds, issued in April 1952, raised the rate on college housing loans from 2.75 percent to 3.01 percent.

Within HHFA, the college housing program is administered through the College Housing Branch, Division of Community Facilities and Special Operations. After being held in abeyance because of the outbreak in Korea, the program was placed in operation in the spring of 1951 on a restricted basis, with only $40 million of the $300 million authorized being released for defense-connected projects. An additional $60 million was released for fiscal year 1953.

The College Housing Branch proceeded to develop the necessary policies and procedures and to inform interested institutions of higher learning that the program had been reactivated on a limited basis.

Defense Relationship

Institutions otherwise eligible under the Act were required to show that the housing for which the loans were requested was needed because of the expansion of defense training programs, such as ROTC units, or because of research contracts with Federal agencies, such as the Army, Navy, Air Force, or Atomic Energy Commission. In March 1952 two other categories of defense relationships were included in the criteria: (1) institutions which had expanded their facilities for training in fields important to the defense effort and which could not use these facilities to the fullest extend without the provision of additional housing and (2) institutions located in critical defense housing areas where defense and other related demands have made unavailable housing which ordinarily would be occupied by students and faculty. Applications which did not meet these conditions were assigned a low priority and have been deferred for later consideration.

Activity Under the Program

During the calendar year 1952, 92 applications totaling $82,022,124 were received from 39 States and the District of Columbia. During the same period 26 applications totaling $24,213,000 were approved by the Administrator. The following table contrasts the applications received and approved in 1952 with the same information for 1951, the first year of the program's operation, and also shows the number of accommodations provided for men, women, student families, and faculty members.

Applications and Approvals—College Housing Program

Calendar year	Number	Amount	Accommodations to be provided			
			Men	Women	Student families	Faculty
	Applications received					
Total	145	$122,504,295	27,800	8,123	411	542
1951	53	40,482,171	9,888	2,106		153
1952	92	82,022,124	17,912	6,017	411	389
	Applications approved					
Total	43	41,108,000	10,078	2,354	68	143
1951	17	16,895,000	4,073	855		87
1952	26	24,213,000	6,005	1,499	68	56

In addition to the approvals cited in the above table, as of December 31, 1952, another 45 applications totaling $39,853,789 had been given preliminary approval and funds had been reserved, thus bringing the total of commitments through approvals and preliminary reservations to $80,961,789 against the $100 million available. As of the same date, 22 applications totaling $8,437,500 had been placed in the deferred category for consideration when the defense restrictions can be lifted.

Construction Progress

At the year's end, dormitories financed under the program had been completed and were in use by students at Norwich University, Northfield, Vt.; Knox College, Galesburg, Ill.; and Marquette University, Milwaukee, Wis. In addition, 17 other projects were under construction at the year's end and many others were scheduled for starts in the spring.

U. S. Office of Education

Title IV of the Housing Act of 1950 provides the Administrator may consult with and secure the advice and recommendation of the U. S. Office of Education as to eligibility of educational institutions. The procedures established to secure this advice on all applications have worked smoothly, and the U. S. Office of Education has been of great assistance in advising the Agency on the educational aspects of the program.

Chapter XI

SPECIAL HOUSING PROGRAMS AND ACTIVITIES

A. Lanham Act Housing

The HHFA Administrator is responsible for the management and disposition of the units remaining in the programs of war and emergency housing provided under the Lanham and related acts to meet the emergency needs of war workers and World War II veterans. More than 943,000 units in all were provided under such programs, and by the end of 1952 about 660,000 units had been disposed of, leaving about 283,000 units on hand. Actual management and disposition operations under this program have been delegated by the Administrator to PHA. A small staff in the central office of OA and in the OA field service assists the Administrator in carrying out his supervisory and policy responsibilities for this program. Program operations are described in some detail in the PHA section of this report.

This housing was intended to meet emergency needs only and it was planned to dispose of it as rapidly as feasible. Postwar housing conditions have retarded disposition activity, however, and statutory deadlines have been extended as it became clear that disposition in many localities would cause undue hardship because of a continuing housing shortage. The Housing Act of 1950 provided a comprehensive plan for the orderly disposition of the housing remaining under this program. However, after the outbreak in Korea, restrictions were placed on such disposition in order to conserve Federal resources potentially useful in the defense program. After consultation with the Defense Department and others, it was decided to continue disposition on a limited basis to the extent consistent with defense needs and, before disposition of any project, to obtain clearance from the Defense Department. During 1952 about 35,000 units were removed from the workload on this basis. Plans were being made at the end of 1952 to remove restrictions on all projects not needed in the defense effort, and procedures were being developed for the accelerated disposition of this housing.

B. Maintenance and Disposition of War Public Works

During World War II the Federal Government had undertaken directly the construction of some 1,500 urgently needed public works in war-congested areas where the local governments were unable to meet the need. These projects provided schools, hospitals, recreation centers, waterworks, sewers, and other facilities. In the years since the end of the war, every effort has been made to dispose of these projects, and nearly 95 percent of them have been sold, transferred by authority of the Congress, or leased with option to purchase. The Division of Community Facilities and Special Operations in the Office of the Administrator has been charged with the responsibility for this disposal program.

At the outset of the calendar year 1952, 97 projects having a total cost of $15 million remained for disposal. At the end of the calendar year, 88 projects representing $13 million in cost were available for disposal. Of these, 66 projects, which had originally cost $5 million, were being held either for transfer to other Federal agencies or pending determination as to the disposition of related housing units. Efforts are being continued to liquidate the Federal Government's interest in the remaining 22 projects estimated to have cost $8 million. Of these, arrangements to dispose of 9 projects have been concluded but disposal has been delayed pending, principally, the clearance of matters pertaining to the sites thereof. There are an additional 57 projects to which the Agency still retains title but which are in effect disposed of, since they have been leased with option to purchase. There is still outstanding to the account of HHFA $1.2 million of the $8 million originally loaned to communities under this program. These loans are secured by 21 bond issues, all of which are current except for $14,000 in three small issues. Efforts are being made to dispose of these holdings generally to the original borrower.

C. Special Problems and Approaches in Housing of Minorities

The Problem

In acquiring decent housing, Negro and other racial minorities experience special difficulties beyond those which confront others. Census data of 1950, while indicating significant improvement in the housing conditions of nonwhites since 1940, reveal that 26.6 percent of nonfarm homes of nonwhites were dilapidated as compared to 5.4 percent for whites. Not only was the proportion of overcrowding in dwellings occupied by nonwhites four times as high as that for whites in 1950, but the extent of overcrowding among nonwhites had actually increased in 1950 over 1940. Meanwhile, annual incomes among nonwhites trebled, according to Census data, and their economic and cultural status improved substantially. Census data also attest that nonwhites have usually received less housing value and less home financing service per dollar spent by them for shelter than do whites and also less favorable home financing terms. These are the inevitable results of practices which have differentiated local housing markets and supplies on the basis of race and have tended generally to restrict or exclude nonwhites from the better housing and newly developed neighborhoods and thus constrict them generally into the poorer housing and largely within the more crowded, blighted, and slum areas.

These factors and their consequences are intensified wherever, and to the degree that, housing is in short supply. In the defense program, for example, employment practices often shift under pressing requirements of defense mobilization and thus render it extremely difficult at the time of programing defense housing to forsee the extent of racial minority need that will later appear for such housing by the time it is ready for occupancy. Also, in the typical local slum clearance program, Negroes and other racial minorities usually constitute the larger proportion of the families to be displaced; housing available to them in the community needs improvement in both quantity and quality for the local relocation plan to be carried out in conformance with the statutory requirement for "decent, safe, and sanitary housing."

Concerted effort to expand and improve the housing and home financing available to racial minorities has increasingly become recognized as a major area of housing stress during the past decade, as well as one of the most complicated problem areas. A prime objective of this effort is more nearly to equalize housing opportunities to all groups by securing more extensive efforts of private enterprise in expanding and improving the supplies of housing and financing available to minority group families commensurate with their effective market demand—an area of the market most generally neglected in the past.

Racial Relations Services

To meet these special problems and assure equitable distribution of benefits to all racial groups, the housing agencies of the Federal Government have utilized the skills of specialized personnel experienced in intergroup adjustment and the application of sound planning and economics. In the central offices, some of this specialized personnel serve as integral parts of the top administrative office; other elements of it assist the field office staffs to carry out agency policies. This activity maintained in the Washington and field offices of HHFA and constituent agencies has come to be considered as the racial relations services.

How Such Services Function

Generally headed by an assistant to the top official of the agency or unit, a racial relations staff in the central office assists in the formulation and execution of the basic policies, procedures, and operations of the Agency to assure equitable participation of minority groups.

This staff participates in top-level administrative meetings where policies are formulated, reviews policy and procedural revisions to improve operations, implements the Federal nondiscrimination employment policy, assembles and disseminates facts and experience in the housing of minorities, interprets Agency activities to minorities, and reflects the minority group considerations to Agency personnel.

In the field offices, racial relations specialists assist in the execution of the Agency programs in a manner to achieve equitable participation of minorities. They supplement and evaluate analyses of local housing markets and pertinent economic and social data; review and pass upon the selection of sites, and evaluate employment in the planning, construction, and management of federally aided projects, appraise plans and advise in carrying them out for the relocation of families displaced by slum clearance; as requested, assist local officials, builders, lenders, and community leadership in the planning and distribution of housing; identify needed revisions in Agency policies and procedures; anticipate and preclude the rise of racial problems and overcome them when they do arise.

Racial Relations Services in Constituent Units of HHFA

In HHFA, the Office of the Administrator, the Division of Slum Clearance and Urban Redevelopment, the Federal Housing Administration and the Public Housing Administration, respectively, maintain their own racial relations staffs as integral parts of their own administrative structures and operations.

From experience since the late 1930's in the public housing program, there has developed an extensive body of policy, procedure, principles, and techniques in the field of racial relations which constitute integral components of overall Agency operations. The purpose of the racial relations function in the central and field offices of HHFA and its constituents is to adapt and apply the principles and techniques so developed and to assure equitable participation by minorities in Agency programs and operations. As of December 31, 1952, for example, Negro families occupied 84,869 of the 222,487 permanent public housing dwellings—or some 38 percent of the total program completed. Another estimated 50,000 of such dwellings, then under annual contribution contracts, will be available to Negro families. Further, as of December 31, 1952, Negroes employed at both skilled and unskilled trades in the construction of these projects have been paid over $107 million in wages, largely due to the implementation of specific nondiscrimination employment policy and procedures adopted by the Agency in the 1930's.

Acting as the Agency liaison with the Fair Employment Board of the Civil Service Commission and the President's Committee on Government Contract Compliance, the OA Racial Relations Service is able further to facilitate employment gains of minorities in the various operating units. There are, for example, some 5,000 Negroes employed now at all levels and types of positions in the administration, management, and maintenance of public housing programs all over the nation.

Initiated in public housing, racial relations personnel in housing have gradually been augmented and such services extended in the central and field offices of FHA, as well as OA and DSCUR. In these units the emphasis is upon mobilizing private financing, planning, and building resources to meet the housing needs of the expanding middle-income market among Negroes and other racial minorities and increasing the employment of other qualified nonwhites in all levels and types of positions throughout the operating staffs. Stimulated by the Federal agencies, assisted by racial relations services, private capital and enterprise have stepped up investment in and production of homes available to Negroes. In fact, *more new private housing has been built for sale and rent to Negroes in the past 4 or 5 years than in an entire generation before.*

Specialists in racial relations in DSCUR participate in the review of applications for Federal assistance and aid the Division field staff in advising local public agencies on the preparation and execution of plans for relocating displaced persons in housing meeting the statutory requirements.

Cooperation With Industry and Consumer-Group Organizations

One of the chief functions of the racial relations services is to interpret the potentialities of the Government housing programs to national organizations and their affiliates interested in minority group aspects of housing and to reflect the problems and viewpoints of these organizations to the Federal housing agencies. Among both industry and consumer groups, there has resulted an increasing understanding of the techniques and efficacy of coordinated attack upon the housing needs of racial minorities as an integral part of the total locality needs and of the proper role of Federal agencies in supplementing local and private resources as part of this unified attack. In many instances these organizations have undertaken specific financing and production programs calling for closely coordinated activity by their local affiliates and the racial relations personnel in the Federal housing agencies.

Coordinating Functions and Activities

In the Office of the Administrator, HHFA, the Racial Relations Service, comprising a small specialized staff headed by an Assistant to the Administrator of HHFA, is responsible for coordination of racial considerations in assisting the Administrator with his overall supervision and coordination of programs operated by the constituent units of the Agency. It also maintains close coordination with the counterpart services in constituent units, as well as liaison with organizations and leadership interested in minority group aspects of Agency activities.

The very nature of its operations in aiding to assure equitable participation of minorities throughout all phases of Agency activities causes the Racial Relations Service to exemplify coordination in the housing field. Among the more significant examples are the following:

1. The OA Racial Relations Service (*a*) meets regularly with the professional racial relations personnel from DSCUR, PHA, and FHA in joint discussion and consideration of major problems, policies, procedures, and activities; (*b*) assists DSCUR and the operating constituents in the recruitment and training of racial relations personnel, without regard to racial or religious identity, and shares with them the extensive cumulated experience of the specialized OA staff in the operation of the various HHFA programs in the different regions and localities of the nation; (*c*) cooperates in coping with complicated problems relating to racial aspects of the several Agency programs in specific localities, such as Detroit, Chicago, and Richmond (California); (*d*) collaborates in coordinated field visits and review of program operations and interrelationships by racial relations personnel of DSCUR, PHA, and FHA in a number of communities—for example, New Orleans, Kansas City, St. Louis, and New York—to seek practical solutions to interrelated problems, such as how to obtain the increased private production of suitable housing available to minorities as required for proper relocation of families displaced from Title I and Title III project areas.

2. Assisted in developing and the issuance of statement of uniform Agency personnel policy requiring nondiscrimination and fairness in employment of personnel throughout the Agency and establishment of regular reporting and reviewing machinery for implementing this policy throughout the Agency, including the constituents.

3. Spearheads consideration and definition of common or related problems and implications for minorities, pursuant to the Housing Act of 1949, leading to closer coordination of PHA and FHA with DSCUR programs as reflected in (*a*) joint statement on "The Relationship between Slum Clearance and Low-Rent Public Housing"; (*b*) establishment of closer coordination in relocation policy and requirements for Title III low-rent public housing programs and Title I slum clearance and urban redevelopment programs; (*c*) joint statement on "The Use of Federal Aids in Relocating Families Displaced by the Clearance of Slum Areas," applied to complicated locality programs as in Chicago and Detroit; (*d*) development of specific working machinery for exchange of information and detailed cooperation between DSCUR and FHA; and (*e*) announcement of supplementary procedures to govern Title I and Title III programs affecting the living space available to racial minorities.

4. Provides active organizational liaison, such as with the National Urban League, leading to (*a*) its establishment of a Department of Housing Activities; (*b*) development of specific cooperative working relationships between the

League, its 60 local affiliates, and FHA toward expanding the supply of adequate housing and home financing available to racial minorities; and (c) its sponsorship of a New York conference on mobilizing sources of home financing available to minorities, attended by important mortgage lenders, the FHA Commissioner, the League's Housing Department officials and national president.

5. Offers cooperation with FHA in its efforts to expand production of housing available to minorities—as described in the FHA section of the Annual Report.

6. Advises and assists the Division of Housing Research concerning relevant minority group implications and considerations in Agency-sponsored research, analyses, and reports; collaborated with the Division in the preparation and publication of HHFA bulletin on *Housing of the Nonwhite Population, 1940 to 1950;* and prepared, from the combined experience of the racial relations services, the bulletin on *Open Occupancy in Public Housing*, published by PHA, to serve the repeated requests from scores of local housing authorities for information and guidance based on administrative experience.

D. International Housing Activities

The Federal Government's international responsibilities in the area of housing and related community facilities have been increasing in scope since World War II. The United States has been asked for cooperation and a sharing of technology and organizational practices. HHFA, as the principal housing agency of the Federal Government, has been drawn more and more into the worldwide housing scene in order to:

1. Aid in improving housing in the United States by drawing upon foreign experience.
2. Assist in carrying out the international policies and programs of this Government, especially insofar as issues concerned with housing and related community facilities arise.

The HHFA Administrator is aided in carrying out these responsibilities by a Special Assistant for International Housing Activities and a small staff. In addition there are a number of housing technicians working abroad under HHFA technical supervision or with HHFA technical assistance and paid out of Technical Cooperation Administration or Mutual Security Agency funds.

HHFA's work in the international field includes (1) staff services to United States agencies, public and private, and (2) cooperation in international programs abroad.

Staff services include exchange of knowledge and experience with other countries for the benefit of United States housing. This involves the review, analysis, and briefing of approximately 3,000 documents and reports annually and making the data available to American users; answering inquiries from foreign countries concerning United States housing practices at the rate of about 600 a year; arranging itineraries and providing briefing and information on United States housing to approximately 100 official visitors from foreign countries each year; arranging and supervising the training programs of about 50 foreign nationals annually who come here under United States-sponsored programs for training in housing and related fields; assistance in programs and itineraries to United States officials and citizens who go abroad on housing matters not directly connected with HHFA; representing the U. S. Government in international conferences and congresses on housing and town planning; and supplying information on housing in other countries to other U. S. agencies, such as the Departments of Defense, Commerce, and State.

Cooperation in international programs includes: advising with the Department of State relative to the official United States position and policy on housing matters to be followed by the United States delegations to the United Nations, the Organization of American States, and other international organizations; serving on official committees such as the Interdepartmental Advisory Committee on Technical Cooperation; consultation with the Mutual Security Agency in connection with housing and community planning phases of MSA country programs; and cooperation with the Technical Cooperation Administration of the Department of State in its program. This latter involves (1) participation by HHFA in the development of the housing phase of TCA country programs, (2) handling country project requests and authorizations involving housing, (3) recruiting technical project personnel or suggesting professional contractors, and (4) supervision of technicians or contractors to include (*a*) briefing, (*b*) review of monthly progress reports, (*c*) supplying answers or suggestions relevant to technical questions, (*d*) visits by an HHFA official for consultation and observation on the work while in process, and (*e*) review and evaluation of the work done, at stated intervals.

The Administrator represented this Government in Mexico City at the Eighth Pan American Congress of Architects in October 1952. The Assistant to the Administrator made trips to advise the staff of the Inter-American Housing Research and Training Center at Bogota, Colombia, to the Caribbean area to advise on aided self-help for shelter improvement, and to advise governments and international organizations and supervise United States personnel in South and Southeast Asia. Another staff member made a similar supervisory trip to Egypt and Lebanon and, on the same trip, represented this Government at the Lisbon, Portugal, convention of the International Federation for Housing and Town Planning.

Wherever it seems appropriate and feasible, non-Government contractors are suggested, and a number of such contractors have participated in preparing special studies under HHFA supervision, especially in the field of building materials and town planning. For example, city planners and engineers worked with the governments of India and Pakistan. An architectural firm advised Costa Rica on housing. An engineering firm is advising Egypt on the improvement of methods for making and using native clay for brick and stabilized earth construction. A report on tropical housing was prepared under contract with Johns Hopkins University. HHFA has also helped other governments to find suitable contractors for various construction and planning tasks.

E. Relocatable Housing

During 1952 HHFA undertook a trial program to ascertain whether it would be feasible and economical to use good relocatable housing as an alternative to temporary housing in defense areas where the duration of the need is indeterminate.

The Program

1. Initial Phase

Performance specifications for relocatable housing were developed by HHFA, reflecting the experience of housing experts in the Agency, the Department of Defense, the Atomic Energy Commission, and other agencies and organizations. These specifications required that the relocatable housing:

(*a*) Meet the livability and durability standards generally applied to fixed-to-site housing;

(*b*) Be capable of being moved and reused at alternative locations with relatively small additional expenditure in manpower or materials; and

(*c*) Cost no more than conventional fixed-to-site housing of equivalent durability and livability.

In January 1952 the trial program was announced, and home-builders, prefabricators, and trailer-coach manufacturers were asked to submit information on relocatable housing systems which could meet the housing needs in defense areas. More than 35 companies responded within a month by submitting the desired data.

HHFA technical personnel reviewed the data for structural soundness, livability, costs, and other factors. A group of outstanding architectural and engineering consultants outside the Government evaluated the various submissions. Finally, the submissions and evaluations were critically reviewed by a panel consisting of a representative each of the Department of Defense, the Atomic Energy Commission, and HHFA.

Eight companies in various parts of the country were selected to demonstrate their relocatable house units. The demonstrations consisted of erecting each house on a temporary foundation, demounting or disassembling it, loading it for long-distance hauling, hauling it through an urban area, and installing it on a final foundation completely ready for occupancy. The demonstrations were carried out during April and May 1952, and the following observations were made:

(*a*) Five of the eight systems demonstrated at that time clearly measured up to the performance standards for relocatable housing:

Mobilhome Corporation of America, Bakersfield, Calif. (split house).
Pressed Steel Car Co., Chicago, Ill.
Acorn Houses, Inc., Concord, Mass.
South Bend Fabricating Co., Seattle, Wash.
Gresham Construction Co., Inc., Santa Clara, Calif.

(*b*) Relocatable housing is competitive in quality, livability, and cost with respect to fixed-to-site housing of conventional construction. The average size of the demonstrated houses were 852 square feet of floor area. The average estimated cost of the houses in project quantities is $7,747, including 100 miles of transportation, but does not include the cost of land. This compares favorably with the cost of housing of the same quality in most sections of the country.

(*c*) Average relocation cost, including landscaping, transportation, and other variables, was estimated at $766 in 180 man-hours. Leaving out these variables, it was estimated that relocation could be accomplished in less than 100 man-hours and at less than 5 percent of the house cost at the first location.

(*d*) The low on-site labor requirements for the installation of relocatable housing can greatly conserve the limited labor resources in many critical defense areas.

(*e*) Good relocatable housing might be feasible at reasonable rentals even on a self-amortizing basis with a significant proportion of the houses being relocated once. The relocatable houses should rent for between $65 and $80 a month and a project of these houses could be amortized in less than 30 years, including the cost of relocating 25 percent of the units.

2. Second Phase

To test the feasibility and economic soundness of a program of relocatable housing under the actual conditions in which it would be utilized, as the second phase of the trial program, these houses have been programed for use in projects of limited size in several critical areas in the different parts of the country under a variety of climatic conditions. The proposed locations are as follows:

Camp Stewart, Georgia	258 units	Hawthorne, Nev	100 units
Camp Hanford, Washington	100 units	Twentynine Palms, Calif	100 units

At the close of 1952, sites had been selected and site plans are being completed for relocatable houses at these and other locations, and arrangements were under way for the construction of these projects in the near future. Experience to date indicates that the houses will cost about $7,400 for the 2-bedroom and $8,200 for the 3-bedroom units. The site development costs in these out-of-the-way defense projects will cost between $1,000 and $1,200, somewhat higher than originally anticipated. Transportation, administration, and planning costs will vary from project to project. The trial run has indicated, however, that relocatable housing projects are feasible in general within statutory cost limitations and at costs comparable with low-cost defense housing built under FHA's Title IX.

3. Third Phase

Also, at the end of the year, as the result of experience gained under phases one and two, consideration was being given to the development of a procurement program for relocatable housing.

Mobile Units for Short-Run Temporary Areas

The trial run program has indicated that relocatables are an economical solution for areas where the emergency housing need is known to exist for at least 5 years, but this type of housing is not economical for military staging areas, construction camps, or disaster areas where the need is for 1 to 5 years. For this short-run temporary requirement, HHFA is encouraging the development of expansible units twice the size of trailer coaches without sacrificing the lower cost, high mobility, and complete equipment contained in trailer-coach construction. Two such units have been developed and will be tested as an alternative to the 6-sleeper trailer coaches if requirements are found to exist in the area of developing companies.

F. Advance Planning Program

The advance planning program was enacted toward the end of World War II to create and maintain a reserve or "shelf" of useful State and local public works projects which would be ready for construction when a need for stimulation of construction activity arose. The planning of projects well in advance of actual construction enables States and communities to eliminate much of the waste that inevitably accompanies hasty preparation of plans. When construction work is started, applicants are required to repay the amount of advances to the U. S. Treasury. Authority for making new advances under both advance planning programs has now expired.

At its outset in 1944, the advance planning program was administered by the Bureau of Community Facilities, at that time a part of the Federal Works Agency. On May 24, 1950, the program was transferred to HHFA in accordance with the President's Reorganization Plan No. 17.

First Advance Planning Program

The First Advance Planning program was authorized by the Congress under Title V of the War Mobilization and Reconversion Act of 1944. Statutory authority for the approval of advances expired June 30, 1947.

During the time the program was in operation, 11,216 applications were received for advances to be used in the planning of State and local projects. Of this number, more than 7,300 were approved, with planning advances requested totaling nearly $62 million. However, nearly 800 applications approved prior to the expiration of authority were canceled because of applicants' failure to complete plans or start construction work. Advances requested in canceled applications amounted to $14 million.

As of December 31, 1952, there remained 6,552 approved applications. The estimated cost of the projects was $2.6 billion, and planning advances to State and local governments amounted to $47 million. Planning has been completed on nearly 95 percent of the advances, while repayments to the U. S. Treasury total $17 million or 36 percent of the advances paid out.

During 1952, planning was completed on 31 projects for which advances totaled $543,000. Repayments to the U. S. Treasury amounted to $1.5 million covering 167 projects.

Second Advance Planning Program

The Second Advance Planning program was authorized by the Congress under Public Law 352, approved October 13, 1949. The authorization was for a period of 2 years, and it was intended that the program should be more or less a continuation of the First Advance Planning program which had expired on June 30, 1947. The Act specified that 75 percent of the advance funds was to be allotted in proportion to the population of the States, discretion being permitted in allotting the remaining 25 percent.

The outbreak in Korea in June 1950 necessitated a reappraisal of the program. Approval of advances was limited to projects contributing directly to defense and to projects required to meet essential civilian needs.

Legislative authority to approve advances expired on October 13, 1951. At that time there were 240 applications on hand involving planning advances of $7 million which had not been processed. No action may be taken on these applications.

Activity in 1952 was confined to insuring the completion of approved projects and handling the repayment of advances. The following table shows the status of applications and advances for the Second Advance Planning program as of December 31, 1952:

Item	Number of applications	Advances requested (000)
Total received by regional offices	2,753	$58,976
Revisions, withdrawls, cancellations, and disapprovals	704	18,013
Deferred due to program restrictions	526	12,226
Approved	1,283	21,656
Under review at expiration of authority	240	7,081
Plan preparation completed	948	11,554
Construction work started	430	3,642

During 1952 the number of approved applications was reduced from 1,317 to 1,283 because of nonperformance by applicants. Advances requested for the remaining 1,283 approved projects totaled $21.7 million.

Completion of plans continued to progress during the year and, by December 31, blueprinting had been completed on 948 of the 1,283 approved projects. Planning advances involved in these projects amounted to $11.6 million or 53 percent of the total amount approved. Their aggregate cost was estimated to be $610 million. During 1952, planning was completed on 314 projects with planning advances of $5.2 million.

With an increasing number of projects started during the year, repayment of advances to the U. S. Treasury was accelerated. On December 31, 1952, State and local authorities had repaid to the Treasury $3.6 million—17 percent of the advances approved. The repayments covered 430 projects, the construction of which was estimated to be $251 million. Of the total amount of repayments, $2.2 million was received in 1952.

Types of Projects

Since the beginning of the program, 78 percent of the planning advances of approved applications in the Second Advance Planning program has been for sewer, school, and water projects. With the establishment of new criteria of eligibility following the Korean outbreak, there was a sharp increase in the ratio of water facilities, with a corresponding decrease in other types of projects.

The following table shows the estimated cost of public works projects and advances approved under the second advance planning program:

Type of project	Number	Cost of public works: Amount approved ($000)	Cost of public works: Percent distribution	Advances approved: Amount approved ($000)	Advances approved: Percent distribution
All projects	1,283	$1,109,546	100.0	$21,656	100.0
Sewer facilities	506	385,311	34.7	8,617	39.8
Schools and other educational facilities	373	235,132	21.2	5,482	25.3
Water facilities	180	182,551	16.5	2,744	12.7
Other public buildings	56	70,384	6.3	1,682	7.8
Hospitals and health facilities	17	33,660	3.1	731	3.4
Bridges, viaducts, and grade separations	25	27,644	2.5	533	2.4
Sanitary facilities	11	24,006	2.2	174	.8
Highways, roads, and streets	50	16,545	1.5	426	2.0
Parks and other recreational facilities	27	7,795	.7	205	.9
Airports	6	5,909	.5	85	.4
Miscellaneous public works (n. e. c.)	26	120,609	10.8	977	4.5

Status of Funds

A total of $55,446,000 was made available for planning advances by the Congress—$24,250,000 under Public Law 430, approved October 29, 1949, and $31,196,000 under Public Law 759, approved September 6, 1950. Of the total amount, however, the Bureau of the Budget withheld $15 million under Section 1214 of the General Appropriations Act of 1951, and an additional $13,100,000 was rescinded by the Congress in the Independent Offices Appropriations Act of 1952. Therefore, the remaining amount available for planning advances was $27,346,000.

Approved planning advances as of December 31, 1952, totaled $21,656,454, leaving an unexpended balance of $5,689,546.

Reserve of Non-Federal Public Works

Of the 7,835 projects for which advances were approved under the 2 advance planning programs, 3,323 had been constructed or were under construction at the end of 1952. The total estimated cost was $1.3 billion.

As shown in the following table, the potential reserve or shelf of non-Federal public works on December 31, 1952, consisted of 4,512 projects with an aggregate estimated cost of $2.4 billion:

[Dollar amounts in millions]

Item	Total: Number	Total: Estimated cost of construction	First advance planning program: Number	First advance planning program: Estimated cost of construction	Second advance planning program: Number	Second advance planning program: Estimated cost of construction
Total approved projects	7,835	$3,721.2	6,552	$2,611.6	1,283	$1,109.5
In process of planning	462	569.6	127	69.6	335	500.0
Planned but not under construction	4,050	1,843.7	3,532	1,485.3	518	358.3
Constructed or under construction	3,323	1,307.9	2,893	1,056.7	430	251.2

G. School Construction Program

During World War II, the migration of war workers to newly established defense areas resulted in a heavy increase in the number of children in areas affected by Federal activities. Also, in many of the more than 200 presently critical defense areas, school facilities are overtaxed or entirely lacking.

To provide relief, Public Law 815 was passed by the Congress on September 23, 1950, authorizing Federal assistance in the construction of schools in Federal areas or areas affected by Federal activities. Responsibility for approval of projects and granting of Federal funds is vested in the U. S. Commissioner of Education, FSA. The OA's Division of Community Facilities and Special Operations, under agreement with the Office of Education, is responsible for reviewing applications, recommending approval, and supervising the construction work.

A total of $341.5 million has been appropriated to carry out the work.

Non-Federal Construction (Section 205)

About nine-tenths of the approved projects are for non-Federal construction under Section 205 of the Act. The Commissioner of Education, FSA, determines the total entitlement of the applicant school district in accordance with a formula prescribed under Section 202 of the Act. The total entitlement is reduced by any amount of Federal aid which a school district may have received since June 30, 1939, as determined by appraisals made by the Commissioner, CFS.

Under agreement with the Office of Education, the legal, financial, and engineering review of the application is conducted by OA and its field offices. After approval of an application, OA, as construction agent for the Office of Education, examines final drawings and specifications, supervises the contract award, recommends payments of Federal funds to the school district, inspects the progress of the construction, and reports final completion of the project to USOE. The school district becomes the owner of the completed school.

Since the beginning of the program 2 years ago, about 2,300 applications had been received for Federal aid under Section 205 of the Act as of December 31, 1952. Of that number, 945 had been recommended for approval by OA and 865 applications were approved by the Office of Education. The total estimated cost of the approved projects was approximately $300 million, of which Federal funds amounted to $226 million. They will accommodate more than 300,000 pupils. During the calendar year 1952, the Office of Education approved 627 school projects at an estimated cost of $216 million, of which the Federal share was $161 million. During the year, 75 projects were completed at a cost of $13 million.

Section 203 Projects

In areas where it is determined by the Commissioner of Education that the impact on the school enrollment is temporary, he is authorized to provide for temporary school facilities under Section 203 of the Act. Such facilities may be made available either by Federal or non-Federal construction or by reimbursing the local schol district. In such cases, OA surveys the local situation and determines the extent of the impact on the schools and whether it is temporary.

At the end of the year, 20 applications for temporary school facilities had been approved by the Office of Education, based on investigations and reports by OA. The estimated cost was $4.7 million, and when completed the temporary schools will accommodate nearly 9,000 pupils.

Section 204 Projects

School facilities on Federal reservations or land leased by the Federal Government are constructed with Federal funds under Section 204. When a school is required, the Commissioner of Education may authorize OA to prepare an estimate of the cost of the project. Upon the Commissioner's approval, OA is delegated authority to contract for plans and specifications, award contracts, disburse project funds, and inspect and supervise the construction work.

As of December 31, 1952, a total of 73 school projects had been approved under Section 204 by the U. S. Commissioner of Education. These projects were estimated to cost $34 million and will accommodate 30,000 pupils. Of these 73 projects, 24 were approved in 1952.

Status as of December 31, 1952

As shown by the following table, a total of 958 school projects have been approved by the U. S. Office of Education under the three sections of the Act. These projects are estimated to cost about $338 million and will accommodate nearly 350,000 pupils.

School construction under Public Law 815, Dec. 31, 1952

Item	Recommended by OFS	Approved by Office of Education	Completed
Total construction:			
Projects .... number..	1,040	958	79
Estimated cost .... ($000)..	360,417	337,711	13,405
Pupils accommodated .... number..	373,677	346,723	18,396
Non-Federal (Section 205):			
Projects .... number..	945	865	78
Estimated cost .... ($000)..	321,061	299,061	13,396
Applicant's share .... do....	79,456	72,652	1,381
Federal share .... do....	241,605	226,409	12,015
Pupils accommodated .... number..	333,732	307,976	18,306
Federal (temporary) (Section 203):			
Projects .... number..	20	20	1
Estimated cost .... ($000)..	4,681	4,681	9
Pupils accommodated .... number..	8,908	8,908	90
Federal (Section 204):			
Projects .... number..	75	73	0
Estimated cost .... ($000)..	34,675	33,969	0
Pupils accommodated .... number..	31,037	29,839	0

In addition to the completions tabulated above, 16 projects under Section 203 and 27 projects under Section 204 were substantially completed and suitable for occupancy on December 31, 1952. Several projects under Section 205 were also substantially completed and were occupied. However, minor details were not finished, and the projects could not be classified as completed in the tabulation.

H. Disaster Relief Program

1. The Federal Disaster Relief Act of 1950

Public Law 875, 81st Congress, as amended by Public Law 107, 82d Congress, authorizes the President to declare "major disaster" areas in any area which has suffered sufficient hardship as a result of disasters from natural causes, such as floods, fires, hurricanes, drought, etc., thereby providing Federal assistance as a supplement to State and local efforts in alleviating hardship resulting from such catastrophe.

Under this law, (*a*) the Governor of the State involved must request such assistance of the President and pledge the maximum use of the resources of the State and local governments and (*b*) the President must determine the area to be a "major disaster" area in order to make such assistance available. The Federal assistance available is, for the most part, (*a*) assistance in providing emergency repairs and temporary replacements to public facilities so damaged, (*b*) the provision of temporary emergency housing for disaster victims, and (*c*) fostering the development of State and local organizations and plans to cope with such disasters.

The President, by Executive Order 10221, delegated the responsibility for administering the disaster relief assistance program of the Federal Government to the Housing and Home Finance Administrator with authority to redelegate. Within HHFA, the Division of Community Facilities and Special Operations is responsible for the program. At the close of 1952, negotiations were under way concerning the transfer of this responsibility to the Federal Civil Defense Administration.

2. 1952 Developments

Prior to 1952, $30,800,000 had been made available under this program for disaster relief. An unallocated balance of $12,432,000 remained available to the President as of January 1, 1952. The 82d Congress supplemented this with an additional $25,000,000. From the $37,432,000 available to him during 1952, the President allocated

$15,826,704 to HHFA to be expended in providing Federal assistance in various disaster areas and to reimburse other agencies for their performance in the Kansas-Missouri-Oklahoma floods of 1951 as follows:

Reimbursements:	
Corps of Engineers	$2,710,864
Department of Agriculture	281,268
Federal Security Agency	104,002
Total reimbursements	$3,096,134

Note: Funds to cover reimbursements (in addition to a tentative reimbursement to Department of Navy in the amount of $26,020), itemized above, had been reserved in an amount of $3,965,454.

Other allocations from this fund during calendar year 1952 were as follows:

South Dakota snowstorms	$255,000
Eastern Montana snowstorms	90,000
North Dakota snowstorms	102,000
Nevada snowstorms	150,000
Arkansas tornado	700,000
South Dakota floods	250,000
Iowa floods	650,000
Minnesota floods	250,000
Nebraska floods	250,000
Wrangell, Alaska, fire	50,000
Montana floods	550,000
Missouri floods	650,000
Kansas floods	100,000
North Dakota floods	100,000
Utah floods	563,570
Drought.—States of Kentucky, Tennessee, Alabama, Georgia, Mississippi, Oklahoma and Arkansas, and portions of the States of Texas, Missouri, North Carolina, and Louisiana	8,000,000
Hopkins, Missouri, tornado	20,000
Total allocations	12,730,570
Overall allocation by President for disaster assistance including reimbursements to other agencies	15,826,704

In addition, there was under review at the end of 1952, a request for reimbursement to the Department of Agriculture of $22,309.73 to cover funds expended by that Agency in providing emergency livestock-feed assistance during the Iowa flood disaster in April 1952.

The following tabulation shows the status of funds allocated by the President to HHFA during calendar year 1952 and redistributed by the Administrator as of December 31, 1952, covering *only* transactions from the 1952 allocation:

Total presidential allocation (1952)		$15,826,704
Total expenditures	$7,483,433.66	
Total outstanding commitments	238,966.34	
Advance to Dept. of Agriculture for drought assistance	7,000,000.00	
Reserve for drought assistance	1,000,000.00	
Total expended, committed, and reserved		15,722,400
Total unallotted—available for allotment		104,304

From the total presidential allocations for the last 2 quarters of calendar year 1951 and for calendar year 1952, under authority of Executive Order 10221, the status of funds allocated by the President to the Housing and Home Finance Agency and redistributed by the Administrator for disaster relief is as follows:

Total allocated 1951	$18,368,000
Total allocated 1952	15,826,704
Total allocated (both years)	34,194,704
Total expended, committed, and reserved	34,090,400
Unallotted total (available for allotment)	104,304

3. Stop-Gap Housing for Disaster Victims

Kansas-Missouri flood.—There was considerable activity in connection with disaster housing during 1952. In the wake of the disastrous 1951 Kansas-Missouri flood, 2,180 homes were completely destroyed and 6,186 suffered major damage. As an emergency measure under the provisions of Public Law 875, the Administrator provided trailers as stop-gap housing for families deprived of their homes by the flood. A total of 1,410 were placed in Kansas City, Topeka, Manhattan, Junction City, Ottawa, Strong City, and various farm locations, all in Kansas. Fortunately, stop-gap housing was not necessary in the flooded areas in either Oklahoma or Missouri. The Administrator loaned the trailers to the municipalities concerned, or to PMA in the case of the farm trailers, and assisted in the provision of streets and utilities in the trailer parks which were operated by the muncipality. After reaching the maximum occupancy of approximately 5,000 persons, the need for the trailers steadily declined as the flood-displaced families were able to locate permanent dwelling accommodations. Thus, the trailers have in fact been stop-gap housing and in no sense provided permanent accommodations.

The flood-displaced persons have been required to pay rent, and under the provisions of the trailer agreement the city remits to the Government the net revenue on the operation of the projects. In all cases some net revenue has accrued to the Government. At its peak, the status of the trailer program for disaster victims was as follows:

Location	Number of trailers provided	Number of trailers occupied	Number of persons accommodated
Urban, total	[1] 1,383	1,190	4,697
Kansas City	926	785	3,239
Junction City	35	35	152
Manhattan	95	88	324
Ottawa	50	41	125
Strong City	14	14	50
Topeka	[1] 263	227	807
Rural, total	[2] 48	42	199
Manhattan	7	7	29
Topeka	12	8	33
Lawrence	8	6	28
Bonner Springs	21	21	109

[1] Of this total, 13 trailers were moved from Topeka to Kansas City for use. Therefore, the actual total "urban" trailers purchased was 1,370.
[2] Of this total, only 40 farm trailers were actually purchased—8 of the farm trailers included above were moved from one location to the other after they had served their purpose.

A recapitulation of the trailers actually purchased is:

Urban	1,370
Rural	40
Total purchased	1,410

As of December 31, 1952, there were 545 of the 1,410 trailers still on hand, occupied, and available for disposal; 860 had been transferred to PHA for use as temporary defense housing; and 5 had been destroyed by fire or accident. The status of the 545 trailers is shown in the following table:

Trailers on hand, occupied, and available for disposal as of Dec. 31, 1951

Location	On hand	Occupied	Available for disposal
Total urban and rural	545	304	241
Urban	538	297	241
Topeka	243	27	216
Kansas City	286	261	25
Ottawa	9	9	0
Rural	7	7	0
Topeka	1	1	0
Lawrence	1	1	0
Bonner Springs	5	5	0

In all, $5,050,000 was allotted to the trailer program in 1951 from presidential allocations. Of that amount, there is a reserve account totaling $240,000, which is on hand in the OA Central Office for the storage, removal, and disposal costs of trailers which are declared surplus to the disaster needs.

During 1952, it was possible to terminate trailer operations in Manhattan, Junction City, Strong City, and the number of farm trailers in use was reduced to 7 at scattered locations. The camp at Topeka is scheduled to terminate this disaster operation as of January 31, 1953, and the Kansas City trailer park is scheduled to close by June 1953.

As the trailers became surplus to disaster needs, they were transferred to the Public Housing Administration for use as temporary defense housing under Public Law 139 in critical defense housing areas. A total of 840 trailers had been transferred to this use. In addition, the vacant trailers at Topeka were transferred directly to defense use, without being relocated, to serve an immediate need by airmen and their families from the nearby Forbes Air Base. In addition, 20 other trailers were transferred to the city of Judsonia for use as stopgap housing by victims of the tornado which swept through Judsonia. Having served their purpose, these 20 trailers have been returned to the Administrator and transferred to PHA for use as temporary defense housing in nearby defense areas.

At the end of 1952 negotiations were under way pending final determination by the President as to the transfer of the HHFA Administrator's responsibilities in regard to the disaster relief program to the Administrator of the Federal Civil Defense Administration.

I. *Permanent Housing for Disaster Victims*

The flood disaster in Kansas in the summer of 1951 emphasized the urgent need of Federal aid to families whose homes were destroyed by floods, tornadoes, and other disasters. Disaster victims were exempted from Regulation X and the related FHA and VA credit restrictions. Disaster victims were also exempted from Regulation W and the credit restrictions on FHA property improvement loans in order to liberalize loans for equipment and repairs for flood-damaged homes.

In addition Public Law 107, approved August 3, 1951, amended Section 8 (b) of the National Housing Act by making available to victims of disasters special mortgage insurance designed to help such home buyers in obtaining the necessary financing of privately built homes. This provided FHA mortgage insurance on loans up to 100 percent of value not in excess of $7,000.

Also, FNMA set aside $50 million for the purchase of eligible mortgages in disaster areas. This amount was later reduced to $24 million. As of December 31, 1952, FNMA commitments on disaster housing mortgages totaled $7.9 million and over-the-counter purchases $4.7 million. Of the $24 million set aside for the purpose, $11.4 million remains available for additional over-the-counter purchases.

Kansas flood area.—A survey made by HHFA showed that 2,400 dwelling units were needed in 14 areas in Kansas to replace those destroyed or severely damaged by flood. The number of programed units was later reduced to 2,207 units in 11 areas.

During 1952, construction work progressed satisfactorily in the majority of the designated areas, and by the end of the year 95 percent of the programed units had been started and 85 percent completed.

A typical dwelling provided under this program is complete in every detail and sells for $7,000. No downpayment is required of a disaster victim and the major portion of closing costs are absorbed by the builder. Monthly payments, including taxes and insurance, are approximately $47.50.

Red River and Missouri River disaster areas.—In March and April 1952, floods in the Red River of the North and the upper tributaries of the Missouri and Mississippi Rivers caused widespread damage to towns and farms in 9 States. A number of major disaster areas were designated, and credit restrictions were lifted for flood victims rebuilding their homes. HHFA programed 50 dwelling units in each of 5 States—Iowa, North Dakota, South Dakota, Nebraska, and Missouri.

Since there were relatively few urban dwellings totally destroyed in this flood, the assistance available under this program has had only limited utilization. In the Red River Valley of Minnesota and North Dakota, 15 units had been started as of December 31, 1952. In other areas, some construction work is expected to begin in the spring.

Arkansas tornado disaster.—Because of damage done by a tornado in the State of Arkansas, HHFA programed 150 homes for private construction on May 5, 1952. However, most of the original home sites were usable so that owners were able to arrange financing for the construction or rehabilitation work and filled the need without recourse to the new construction aids provided in the program. Accordingly the program was closed out in August 1952.

The following table shows the status of all disaster housing programs (permanent housing) as of December 31, 1952:

Location of project	Dwelling units		
	Programed	Started	Completed
Total [1]	2,457	2,113	1,885
Kansas flood area (programed Sept. 6, 1951).			
Total	2,207	2,098	1,879
Council Grove	50	5	----------
Florence-Marion	21	21	21
Iola-Humboldt	24	24	24
Junction City	69	69	69
Kansas City	1,231	1,177	1,049
Manhattan	156	156	105
Osawatomie	100	90	62
Ottawa	12	12	12
Salina	7	7	7
Topeka	524	524	517
All other	13	13	13
Red River and Missouri River Valleys (programed July 2, 1952).			
Total	250	15	6
Minnesota-North Dakota	50	15	6
Missouri	50	----------	----------
Iowa	50	----------	----------
Nebraska	50	----------	----------
South Dakota	50	----------	----------

[1] In addition to the above programs, 150 units were programed in the Arkansas tornado disaster area on May 5, 1952. This program was canceled on August 18, 1952.

APPENDIX A

STATISTICAL AND FISCAL TABLES

TABLE 1.—*Permanent nonfarm dwelling units started: 1925–52*

Year	Total permanent nonfarm dwelling units started	Type of ownership						Type of structure		
		Private			Public					
		Total	Urban	Rural nonfarm	Total	Urban	Rural nonfarm	1-family	2-family	Multi-family
1925	937,000	937,000	752,000	185,000	xx	xx	xx	572,000	[1] 157,000	208,000
1926	849,000	849,000	681,000	168,000	xx	xx	xx	491,000	117,000	241,000
1927	810,000	810,000	643,000	167,000	xx	xx	xx	451,000	99,000	[1] 257,000
1928	753,000	753,000	594,000	159,000	xx	xx	xx	436,000	78,000	329,000
1929	509,000	509,000	400,000	109,000	xx	xx	xx	316,000	51,000	142,000
1930	330,000	330,000	236,000	94,000	xx	xx	xx	227,000	29,000	74,000
1931	254,000	254,000	174,000	80,000	xx	xx	xx	187,000	22,000	45,000
1932	134,000	134,000	64,000	70,000	xx	xx	xx	118,000	7,000	9,000
1933	93,000	93,000	45,000	48,000	xx	xx	xx	76,000	5,000	12,000
1934	126,000	126,000	49,000	77,000	xx	xx	xx	109,000	5,000	12,000
1935	221,000	215,700	112,600	103,100	5,300	4,400	900	183,000	8,000	30,000
1936	319,000	304,200	197,600	106,600	14,800	13,400	1,400	244,000	14,000	61,000
1937	336,000	332,400	214,400	118,000	3,600	3,600	----	267,000	16,000	53,000
1938	406,000	399,300	255,300	144,000	6,700	6,700	----	317,000	18,000	71,000
1939	515,000	458,400	303,500	154,900	56,600	55,500	1,100	399,000	29,000	87,000
1940	602,600	529,600	333,200	196,400	73,000	63,400	9,600	485,700	37,300	79,600
1941	706,100	619,500	369,500	250,000	[1] 86,600	[1] 64,800	[1] 21,800	603,500	34,300	68,300
1942	356,000	301,200	184,900	116,300	54,800	42,500	12,300	292,800	20,100	43,100
1943	191,000	183,700	119,700	64,000	7,300	4,700	2,600	143,600	17,800	29,600
1944	141,800	138,700	93,200	45,500	3,100	3,000	100	117,700	10,600	13,500
1945	209,300	208,100	132,700	75,400	1,200	1,200	----	184,600	8,800	15,900
1946	670,500	662,500	395,700	266,800	8,000	8,000	----	590,000	24,300	56,200
1947	849,000	845,600	476,400	369,200	3,400	3,400	----	740,200	33,900	74,900
1948	931,600	913,500	510,000	403,500	18,100	14,900	3,200	766,600	49,000	118,100
1949	1,025,100	988,800	556,600	432,200	36,300	32,200	4,100	794,300	36,500	194,300
1950	[1] 1,396,000	[1] 1,352,200	[1] 785,600	[1] 566,600	43,800	42,200	1,600	[1] 1,154,100	44,800	197,100
1951	1,091,300	1,020,100	531,300	488,800	71,200	64,000	7,200	900,100	40,400	150,800
1952 [2]	1,131,400	1,073,600	557,100	516,500	57,800	53,800	4,000	948,400	45,200	137,800
	Percent change 1952 from—									
1951	+3.7	+5.2	+4.9	+5.7	−18.8	−15.9	−44.4	+5.4	+11.9	−8.6
1950	−19.0	−21.6	−29.1	−8.8	+32.0	+27.5	+150.0	−17.8	+0.9	−30.1

[1] All-time high. [2] Preliminary; also breakdown data by type include HHFA estimates for November and December.

Source: U. S. Department of Labor.

TABLE 2.—*Permanent privately owned nonfarm dwelling units started: 1935–52*

Year	Total permanent nonfarm starts	Number of starts in—			Percentage of total starts in—			
		1-family structures	2-family structures	Multifamily structures	Sales-type structures (1-family)	Rental-type structures: Total	Rental-type structures: 2-family	Rental-type structures: Multifamily
1935	215,700	182,200	7,700	25,800	84	16	4	12
1936	304,200	238,500	13,300	52,400	78	22	4	17
1937	332,400	265,800	15,300	51,300	80	20	5	15
1938	399,300	316,400	18,000	64,900	79	21	5	16
1939	458,400	373,000	19,700	65,700	81	19	4	14
1940	529,600	447,600	25,600	56,400	85	15	5	11
1941	619,500	533,200	28,400	57,900	86	14	5	9
1942	301,200	252,300	17,500	31,400	84	16	6	10
1943	183,700	136,300	17,800	29,600	74	26	10	16
1944	138,700	114,600	10,600	13,500	83	17	8	10
1945	208,100	184,600	8,800	14,700	89	11	4	7
1946	662,500	590,000	24,300	48,200	89	11	4	7
1947	845,600	740,200	33,900	71,500	88	12	4	8
1948	913,500	763,200	46,300	104,000	84	16	5	11
1949	988,800	792,400	34,700	161,700	80	20	4	16
1950	[1] 1,352,200	[1] 1,150,700	42,200	159,300	85	15	3	12
1951	1,020,100	892,200	40,100	87,800	87	13	4	9
1952 [2]	1,073,600	945,000	45,200	83,400	88	12	4	8
	Percent change 1952 from—							
1951	+5.2	+5.9	+12.7	−5.0	xx	xx	xx	xx
1950	−20.6	−17.9	+7.1	−47.6	xx	xx	xx	xx

[1] All-time high.
[2] Preliminary, also breakdown data by type include HHFA estimates for November and December.

Source: U. S. Department of Labor.

TABLE 3.—*FHA and VA starts compared with total permanent privately owned nonfarm starts: 1935–52*

Period	Units in FHA starts [3]			Units in VA starts (family homes) [5]	Units in BLS private starts				As a percent of BLS total private starts	
	Total	1- to 4-family homes	Project housing [4]		Total	1-family	2-family	Multifamily	FHA starts	VA starts
Cumulative data										
1935–52	3,225,714	2,624,471	601,243	996,953	10,547,100	8,918,200	449,400	1,179,500	31	x x x x x
Annual data										
1935	13,964	13,226	738	xx	215,700	182,200	7,700	25,800	6	xx
1936	49,376	48,752	624	xx	304,200	238,500	13,300	52,400	16	xx
1937	60,003	56,980	3,023	xx	332,400	265,800	15,300	51,300	18	xx
1938	118,741	106,811	11,930	xx	390,300	316,400	18,000	64,900	30	xx
1939	158,119	144,657	13,462	xx	458,400	373,000	19,700	65,700	34	xx
1940	180,091	176,645	3,446	xx	529,600	447,600	25,600	56,400	34	xx
1941	220,387	217,091	3,296	xx	619,500	533,200	28,400	57,900	36	xx
1942	165,662	160,204	5,458	xx	301,200	252,300	17,500	31,400	55	xx
1943	146,154	126,119	20,035	xx	183,700	136,300	17,800	29,600	[1] 80	xx
1944	93,259	83,604	9,655	xx	138,700	114,600	10,600	13,500	67	xx
1945	41,159	38,897	2,262	[6] 6,000	208,100	184,600	8,800	14,700	20	3
1946	69,033	67,122	1,911	[6] 83,000	662,500	590,000	24,300	48,200	10	13
1947	228,818	178,052	50,766	[1] [6] 211,000	845,600	740,200	33,900	71,500	27	[1] 25
1948	291,053	213,443	77,610	[6] 102,000	913,500	763,200	[1] 46,300	104,000	32	12
1949	360,541	249,365	111,176	[6] 105,000	988,800	792,400	34,700	[1] 161,700	36	11
1950	[1] 485,930	[1] 327,494	[1] 158,436	[6] 200,000	[1] 1,352,200	[1] 1,150,700	42,200	159,300	36	15
1951	263,533	186,924	73,943	148,679	1,020,100	892,200	40,100	87,800	26	15
1952 [2]	279,901	229,085	50,816	141,274	1,073,600	945,000	45,200	83,400	26	13
Percent change 1952 from—										
1951	+6.2	+22.6	−31.3	−5.0	+5.2	+5.9	+12.7	−5.0	xx	xx
1950	−42.4	−30.0	−67.9	−29.4	−20.6	−17.9	+7.1	−47.6	xx	xx

[1] All-time high.
[2] Preliminary and includes estimates for BLS detail for November and December.
[3] Based on FHA 1st compliance inspection.
[4] Include single-family and multifamily structures under Sections 207, 213, 608, 611, 803, and 908.
[5] Estimated on basis loans closed prior to June 1950, since then based on VA 1st compliance inspection.
[6] Estimated.

Sources: Federal Housing Administration, Veterans Administration and U. S. Department of Labor.

TABLE 4.—*Dollar volume of new construction put in place: 1925–52*

[In millions of dollars]

Year	Total new construction activity	Nonfarm buildings: Residential: Private	Nonfarm buildings: Residential: Public	Nonfarm buildings: Nonresidential: Private: Industrial	Nonfarm buildings: Nonresidential: Private: Other	Nonfarm buildings: Nonresidential: Public: Industrial	Nonfarm buildings: Nonresidential: Public: Other	All other construction [2]: Private	All other construction [2]: Public	Ownership: Total private	Ownership: Total public
1925	11,430	5,515	xx	513	1,547	(3)	573	1,726	1,565	9,301	2,138
1926	12,082	5,600	xx	727	1,766	(3)	603	1,825	1,541	9,938	2,144
1927	12,034	5,160	xx	696	1,838	(3)	596	1,931	1,813	9,625	2,400
1928	11,641	4,770	xx	802	1,771	(3)	638	1,813	1,847	9,156	2,485
1929	10,793	3,625	xx	949	1,745	(3)	659	1,988	1,827	8,307	2,486
1930	8,741	2,075	xx	532	1,471	(3)	660	1,805	2,198	5,883	2,858
1931	6,427	1,565	xx	221	878	(3)	612	1,104	2,047	3,768	2,659
1932	3,538	630	xx	74	428	(3)	415	544	1,447	1,676	1,862
1933	2,879	470	xx	176	230	2	228	355	1,418	1,231	1,648
1934	3,720	625	1	191	265	11	352	428	1,847	1,509	2,211
1935	4,232	1,010	9	158	314	2	326	517	1,896	1,999	2,233
1936	6,497	1,565	61	266	447	4	697	703	2,754	2,981	3,516
1937	6,999	1,875	93	492	593	2	548	943	2,453	3,903	3,096
1938	6,980	1,990	35	232	532	12	660	806	2,713	3,560	3,420
1939	8,198	2,680	65	254	532	23	947	923	2,774	4,389	3,809
1940	8,682	2,985	200	442	583	164	451	1,044	2,813	5,054	3,628
1941	11,957	3,510	430	801	681	1,280	366	1,214	3,675	6,206	5,751
1942	14,075	1,715	545	346	289	[1] 3,437	248	1,065	[1] 6,430	3,415	[1] 10,660
1943	8,301	885	[1] 739	156	77	1,870	140	861	3,573	1,979	6,322
1944	5,259	815	211	208	143	1,230	131	1,020	1,501	2,186	3,073
1945	5,633	1,100	80	642	378	755	182	1,115	1,381	3,235	2,398
1946	12,000	4,015	374	1,689	1,652	113	241	2,282	1,634	9,638	2,362
1947	16,689	6,310	200	1,702	1,440	96	503	3,804	2,634	13,256	3,433
1948	21,678	8,580	156	1,397	2,224	196	1,105	4,652	3,368	16,853	4,825
1949	22,789	8,267	359	972	2,256	177	1,891	4,889	3,978	16,384	6,405
1950	28,749	[1] 12,600	345	1,062	2,715	224	2,178	5,233	4,392	21,610	7,139
1951	31,025	10,973	595	2,117	[1] 3,035	958	[1] 2,513	5,559	5,275	21,684	9,341
1952	[1] 32,329	11,101	647	[1] 2,298	2,652	1,606	2,455	[1] 5,734	5,836	[1] 21,785	10,544
	Percent change 1952 from—										
1951	+4.2	+1.2	+8.7	+8.5	−12.6	+67.6	−2.3	+3.1	+10.6	+0.5	+12.9
1950	+12.5	−11.9	+87.5	+116.4	−2.3	+617.0	+12.7	+9.6	+32.9	+0.8	+47.7

[1] All-time high.
[2] Includes public utilities, highways, sewer and water systems, conservation, farm structures, etc.
[3] Amount negligible. Included in private industrial building.

Sources: U. S. Departments of Commerce and Labor.

TABLE 5.—*Boeckh indexes of dwelling unit construction cost: 1925–52*

[Base 1947-1949=100]

Year	Residences	Apartments, hotels, and office buildings	Year	Residences	Apartments, hotels, and office buildings
1925	47.9	50.6	1939	48.9	53.9
1926	48.4	51.0	1940	50.5	54.8
1927	47.7	50.3	1941	54.6	57.3
1928	47.9	50.5	1942	57.6	60.4
1929	50.0	51.7	1943	60.2	62.8
1930	48.7	50.9	1944	65.4	67.0
1931	44.9	46.9	1945	70.1	71.3
1932	38.0	40.0	1946	77.0	78.0
1933	38.0	41.1	1947	93.2	91.7
1934	41.3	45.2	1948	104.8	103.5
1935	40.3	44.5	1949	102.1	104.8
1936	41.7	45.8	1950	107.7	109.6
1937	46.6	51.1	1951	116.0	118.0
1938	48.0	53.2	1952	[1] 119.1	[1] 122.0
	xx	xx	Percent change 1952 from—		
xx	xx	xx	1951	+2.7	+3.4
xx	xx	xx	1950	+10.6	+11.3

[1] All-time high.

Source: U. S. Department of Commerce.

TABLE 6.—*Indexes of production of selected construction materials: 1925–52*

[Base: 1939=100]

Year	Composite index [3]	Lumber	Hardwood flooring	Brick	Cement	Wire nails [4] [6]	Cast-iron soil pipe and fittings	Softwood plywood	Gypsum board [4]	Gypsum lath [4]	Asphalt prepared roofing [4]	Warm air furnaces [5]
1925	134.0	[1] 142.6	138.9	[1] 212.4	132.2	114.7	137.1	(2)	(2)	(2)	(2)	(2)
1926	133.3	138.2	147.2	210.7	134.6	110.3	126.1	(2)	(2)	(2)	(2)	(2)
1927	128.9	129.5	135.8	200.5	141.7	106.8	129.6	(2)	(2)	(2)	(2)	(2)
1928	129.5	127.8	142.4	186.7	144.2	105.6	134.7	27.6	147.4	35.7	107.0	(2)
1929	129.2	134.7	111.8	161.7	139.6	97.2	96.0	35.8	162.3	36.2	116.7	(2)
1930	102.4	102.1	94.4	108.2	131.8	70.9	67.2	30.5	109.5	30.0	81.6	(2)
1931	73.4	60.5	61.2	68.1	102.6	56.3	49.5	23.5	89.3	20.0	66.1	(2)
1932	46.2	42.8	34.2	29.6	62.8	40.0	31.7	20.0	51.3	11.3	66.7	(2)
1933	50.9	57.1	34.9	27.3	51.9	66.2	33.9	39.0	50.6	10.3	72.4	(2)
1934	55.2	59.8	32.0	29.7	63.6	45.9	29.8	38.4	51.6	11.2	70.3	(2)
1935	65.9	75.9	52.3	48.3	62.8	65.8	48.4	48.0	63.3	22.2	76.3	(2)
1936	91.0	96.1	88.4	80.7	92.3	88.4	83.1	70.0	83.9	42.1	94.4	(2)
1937	93.8	100.9	93.6	88.7	95.0	80.6	84.9	72.5	93.9	65.0	87.7	89.3
1938	82.2	81.4	88.8	74.8	86.2	71.5	66.1	65.0	90.5	71.2	101.4	79.7
1939	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1940	106.4	108.4	117.4	86.3	106.5	96.2	106.7	120.0	141.4	127.5	95.5	121.0
1941	129.2	127.1	127.6	104.5	134.2	113.2	110.5	160.0	227.0	162.2	124.1	129.4
1942	126.9	126.4	84.9	71.7	149.5	122.5	76.1	184.0	357.4	84.3	158.8	64.0
1943	101.3	119.2	46.1	40.5	109.1	114.4	40.3	149.5	407.3	55.5	150.4	45.1
1944	92.1	114.5	45.1	39.7	74.4	91.1	44.4	148.5	362.5	55.1	143.2	70.0
1945	89.8	97.8	45.6	48.4	84.1	86.5	54.3	122.2	365.9	52.7	144.0	83.1
1946	125.1	121.9	58.3	103.0	134.0	89.6	108.3	143.6	486.1	101.1	178.3	160.8
1947	137.7	123.1	111.0	106.3	152.6	118.6	155.2	170.0	521.9	150.1	[1] 204.5	201.8
1948	146.3	128.1	146.6	123.6	168.0	127.5	171.9	195.4	659.4	220.1	175.6	182.6
1949	137.2	119.7	136.1	116.8	171.6	108.5	151.6	197.7	616.5	177.1	153.4	159.8
1950	[1] 160.3	137.0	[1] 174.0	130.6	184.9	129.8	[1] 204.9	267.6	732.6	[1] 245.7	187.5	[1] 260.0
1951	160.0	129.6	169.3	136.9	201.4	128.2	185.8	299.5	819.5	242.9	171.0	212.4
1952	156.7	129.9	162.2	122.1	[1] 203.8	96.7	175.1	[1] 315.5	[1] 826.0	203.6	168.0	199.9
	Percent change 1952 from—											
1951	−2.1	+0.2	−4.2	−10.8	+1.2	−24.6	−5.8	+5.3	+0.8	−16.2	−1.8	−5.9
1950	−2.2	−5.2	−6.8	−6.5	+10.2	−25.5	−14.5	+17.9	+12.7	−17.1	−10.4	−23.1

[1] All-time high.
[2] Not available.
[3] Covers 15 materials in addition to the 11 listed.
[4] Shipments.
[5] Production estimate.
[6] All-time high was 131.1 in 1923.

Source: U. S. Department of Commerce.

TABLE 7.—*Indexes of selected wholesale prices: 1947–52*

[Base: 1947–49=100]

Year	Commodities other than farm products and foods	Building materials	Lumber and wood products				Paint and paint materials	Plumbing equipment	Heating equipment	Structural clay products	Concrete ingredients
			All	Lumber	Millwork	Plywood					
1947	95.3	94.0	93.7	94.5	87.3	95.9	99.1	94.7	95.3	93.3	93.0
1948	103.4	104.0	107.2	107.3	105.1	109.0	101.0	102.7	101.2	101.4	101.8
1949	101.3	102.0	99.2	98.2	107.6	95.2	99.9	102.7	103.6	105.3	105.2
1950	105.0	109.5	113.9	114.5	114.6	106.5	96.8	108.2	105.1	112.6	106.8
1951	115.9	119.6	123.9	123.6	130.1	115.1	108.9	122.5	114.6	121.4	113.0
1952	113.2	118.2	120.3	120.6	127.0	105.0	107.3	117.4	113.8	122.0	113.0

Source: U. S. Department of Labor.

TABLE 8.—*Estimated mortgage debt on 1- to 4-family nonfarm homes: 1938–52*

Year	Loans held at end of year, by type of mortgagee								Loans held by savings and loans as a percent of total debt outstanding
	Total all mortgagees ($000,000)	Savings and loan associations ($000,000)	Life insurance companies ($000,000)	Mutual savings banks ($000,000)	Commercial banks ($000,000)	Home Owners Loan Corp.[4] ($000,000)	Federal National Mortgage Association ($000,000)	Individuals and others ($000,000)	
1938 [3]	15,800	3,400	1,300	2,100	2,000	2,200	100	4,700	22.1
1949	16,337	3,616	1,490	2,128	2,096	2,038	144	4,825	22.1
1940	17,346	3,919	1,758	2,162	2,363	1,956	178	5,010	22.6
1941	18,358	4,349	1,976	2,189	2,672	1,777	203	5,192	23.7
1942	18,226	4,349	2,255	2,128	2,752	1,567	206	4,969	23.9
1943	17,835	4,355	2,410	2,033	2,706	1,338	60	4,933	24.4
1944	17,947	4,617	2,458	1,937	2,703	1,091	50	5,091	25.7
1945	18,543	5,156	2,258	1,894	2,875	852	7	5,501	27.8
1946	23,059	6,840	2,570	2,033	4,576	636	6	6,398	29.7
1947	28,161	8,475	3,459	2,283	6,303	486	4	7,151	30.1
1948	33,261	9,841	4,925	2,835	7,396	369	198	7,697	29.6
1959	37,496	11,117	5,970	3,364	7,956	231	806	8,052	29.6
1950	45,072	13,104	8,392	4,312	9,481	10	1,328	8,445	29.1
1951	51,872	14,801	10,814	5,331	10,275	xx	1,818	8,833	28.5
1952 [2]	[1] 58,155	[1] 17,590	[1] 11,800	[1] 6,180	[1] 11,250	xx	[1] 2,210	[1] 9,125	[1] 30.2

[1] All-time high.
[2] Preliminary.
[3] Estimated by OA.
[4] All-time high was $2,897,000,000 at the end of 1935.

Source: Home Loan Bank Board.

TABLE 9.—*Nonfarm real estate foreclosures: 1926–52*

Year	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939
Thousands of foreclosures	68	91	116	135	150	194	249	[1] 252	230	229	185	151	118	100
Year	**1940**	**1941**	**1942**	**1943**	**1944**	**1945**	**1946**	**1947**	**1948**	**1949**	**1950**	**1951**	**1952**	.....
Thousands of foreclosures	76	59	42	25	17	13	[2] 10	11	13	18	22	18	18	.....

[1] All-time high.
[2] All-time low.

Source: Home Loan Bank Board.

TABLE 10.—*FHA and VA home loans compared with recordings of $20,000 or less: 1939–52*

Year	Estimated amount nonfarm mortgage recordings of $20,000 or less ($000)	Federal Housing Administration and Veterans Administration						Other recordings of $20,000 or less	
		Total home loans insured and guaranteed		FHA home loans insured		VA home loans guaranteed			
		Amount ($000)	Percent of total recordings	Face amount ($000)	Percent of total recordings	Principal amount ($000)	Percent of total recordings	Amount ($000)	Percent of total recordings
1939	3,506,563	694,764	20	694,764	20	xx	xx	2,811,799	80
1940	4,031,368	762,084	19	762,084	19	xx	xx	3,269,284	81
1941	4,731,960	910,770	19	910,770	19	xx	xx	3,821,190	81
1942	3,912,613	973,271	25	973,271	[1] 25	xx	xx	2,969.342	75
1943	3,861,401	763,097	20	763,097	20	xx	xx	3,098,304	80
1944	4,605,931	707,363	15	707,363	15	xx	xx	3,898,568	85
1945	5,649,819	666,485	12	474,245	8	[2] 192,240	3	4,983,334	[1] 88
1946	10,589,168	2,724,256	26	421,949	4	2,302,307	22	7,864,912	74
1947	11,728,677	4,180,841	[1] 36	894,675	8	3,286,166	[1] 28	7,547,836	64
1948	11,882,114	3,997,010	34	2,116,043	18	1,880,967	16	7,885,104	66
1949	11,828,001	3,633,433	31	2,209,842	19	1,423,591	12	8,194,568	69
1950	16,179,196	[1] 5,565,676	34	[1] 2,492,367	15	3,073,309	19	10,613,520	66
1951	16,405,367	5,542,913	34	1,928,433	12	[1] 3,614,480	22	10,862,454	66
1952	[1] 18,017,677	4,663,382	26	1,912,307	11	2,721,075	15	[1] 13,354,295	74
	Percent change 1952 from—								
1951	+9.8	−15.9	xx	+0.7	xx	−24.7	xx	+22.9	xx
1950	+11.4	−16.2	xx	−22.1	xx	−11.5	xx	+25.8	xx

[1] All-time high.
[2] Includes 1944 activity.

Sources: Home Loan Bank Board, Federal Housing Administration, Veterans Administration.

Table 11a.—*FNMA home financing activity during 1952 and at end of 1952*

[In millions of dollars]

National Housing Act (FHA) and Servicemen's Readjustment Act (VA) by section of law	Advance commitments and purchase authorizations	Commitments canceled	Purchases	Repayments	Sales	Other credits	Undisbursed commitments at Dec. 31, 1952	Mortgage portfolio at Dec. 31, 1952
	During calendar year 1952							
Total	642.3	20.6	537.9	78.9	55.9	10.9	--------	--------
FHA-insured mortgages—Total	271.3	20.2	167.8	11.7	35.7	4.3	--------	--------
Sec. 8, NHA	14.6	--------	18.1	.6	.2	(1)	--------	--------
Sec. 203, NHA	65.4	.9	59.9	6.0	24.4	.1	--------	--------
Sec. 207, NHA	6.2	.5	.3	.1	.1	--------	--------	--------
Sec. 213, NHA	7.3	--------	1.9	.1	--------	--------	--------	--------
Sec. 603, NHA	--------	--------	--------	4.3	.5	4.0	--------	--------
Sec. 608, NHA	.2	6.8	6.0	.3	8.5	.2	--------	--------
Sec. 803, NHA	62.3	2.5	1.9	--------	1.9	--------	--------	--------
Sec. 903, NHA	110.3	5.7	78.4	.3	.1	--------	--------	--------
Sec. 908, NHA	5.0	3.8	1.3	--------	--------	--------	--------	--------
VA-guaranteed mortgages—Total	371.0	.4	370.1	67.2	20.2	6.6	--------	--------
Sec. 501, SRA (home)	369.0	.3	369.1	66.5	19.2	6.6	--------	--------
Sec. 501, SRA (multiple dwelling)	.6	--------	.6	.3	--------	--------	--------	--------
Sec. 502, SRA	.3	--------	.3	.1	--------	(1)	--------	--------
Sec. 505 (a), SRA	.2	.1	.1	.3	1.0	--------		
	Cumulative (February 10, 1938—December 31, 1952)							
Total	4470.4	746.2	3401.3	301.6	821.8	36.2	322.9	2241.7
FHA-insured mortgages—Total	1720.8	414.3	1002.6	147.9	510.3	24.6	303.9	319.8
Sec. 8, NHA	24.2	--------	23.6	.6	.2	(1)	.6	22.8
Sec. 203, NHA	621.9	121.1	488.5	108.2	268.5	3.6	12.3	108.2
Sec. 207, NHA	28.5	1.6	6.1	4.9	.4	.1	20.8	.7
Sec. 210, NHA	.9	.6	.3	.2	--------	.1	--------	--------
Sec. 213, NHA	14.0	--------	2.4	.1	--------	--------	11.6	2.3
Sec. 603, NHA	367.1	27.6	339.5	33.1	207.7	11.7	--------	87.0
Sec. 608, NHA	323.8	251.4	60.6	.5	31.5	9.1	11.8	19.5
Sec. 803, NHA	115.1	2.5	1.9	--------	1.9	--------	110.7	--------
Sec. 903, NHA	195.3	5.7	78.4	.3	.1	--------	111.2	78.0
Sec. 908, NHA	30.0	3.8	1.3	--------	--------	--------	24.9	1.3
VA-guaranteed mortgages—Total	2749.6	331.9	2398.7	153.7	311.5	11.6	19.0	1921.9
Sec. 501, SRA (home)	2707.0	322.0	2366.0	151.1	296.1	11.4	19.0	1907.4
Sec. 501, SRA (multiple dwelling)	10.4	1.9	8.5	.6	.7	--------	--------	7.2
Sec. 502, SRA	2.0	.1	1.9	.2	--------	(1)	--------	1.7
Sec. 505 (a), SRA	30.2	7.9	22.3	1.8	14.7	.2	--------	5.6

[1] Less than $0.05 million.

Source: Office of the Administrator, Housing and Home Finance Agency.

TABLE 11b.—*FNMA participation in defense, military and disaster housing programs during 1952 and at end of 1952*

[In millions of dollars]

National Housing Act (FHA) and Servicemen's Readjustment Act (VA) by section of law	Advance commitments and purchase authorizations	Commitments canceled	Purchases	Sales	Repayments and other credits	Undisbursed commitments	Mortgage portfolio at Dec. 31, 1952
	During calendar year 1952						
Total	206.7	13.7	115.8	3.8	.9	----------	----------
Defense—Total	152.1	11.3	105.6	1.8	.8	----------	----------
Sec. 203, NHA	5.0	1.0	7.5	1.8	.1	----------	----------
Sec. 207, NHA	.1	.5	.1	--------	(1)	----------	----------
Sec. 803, NHA	12.6	----------	----------	--------	----------	----------	----------
Sec. 903, NHA	110.3	5.7	78.4	--------	.3	----------	----------
Sec. 908, NHA	5.0	3.8	1.3	--------	----------	----------	----------
Sec. 501 (b), SRA	19.1	.3	18.3	--------	.4	----------	----------
Disaster—Total	4.9	(1)	8.3	.1	.1	----------	----------
Sec. 8, NHA	3.9	----------	7.4	.1	.1	----------	----------
Sec. 203, NHA	.1	(1)	.1	--------	(1)	----------	----------
Sec. 501 (b), SRA	.9	----------	.8	(1)	(1)	----------	----------
Military—Sec. 803, NHA—Total	49.7	2.4	1.9	1.9	----------	----------	----------
	Cumulative (July 16, 1951–December 31, 1952)						
Total	406.7	13.8	116.1	3.8	.9	276.8	111.4
Defense—Total	291.6	11.3	105.7	1.8	.8	174.5	103.1
Sec. 203, NHA	9.3	1.0	7.5	1.8	.1	.8	5.6
Sec. 207, NHA	6.6	.5	.1	--------	(1)	6.0	.1
Sec. 803, NHA	12.6	----------	----------	--------	----------	12.6	----------
Sec. 903, NHA	195.3	5.7	78.3	--------	.3	111.2	78.0
Sec. 908, NHA	30.0	3.3	1.3	--------	----------	24.9	1.3
Sec. 501 (b), SRA	37.8	.3	18.5	--------	.4	19.0	18.1
Disaster—Total	12.6	(1)	8.5	.1	.1	4.1	8.3
Sec. 8, NHA	8.0	----------	7.4	.1	.1	.6	7.2
Sec. 203, NHA	3.6	(1)	.1	--------	(1)	3.5	.1
Sec. 501 (b), SRA	1.0	----------	1.0	(1)	(1)	----------	1.0
Military—Sec. 803, NHA—Total	102.5	2.5	1.9	1.9	----------	98.2	----------

[1] Less than $0.05 million.

Source: Office of the Administrator, Housing and Home Finance Agency.

TABLE 11c.—*FNMA home financing activity by month: 1952*

[In millions of dollars]

Month	Advance commitments and purchase authorizations	Commitments canceled	Undisbursed commitments at end of month	Purchases	Repayments	Sales	Other credits	Mortgage portfolio at end of month
Total, 1952	642.3	20.6	----------	537.9	78.9	55.9	10.9	----------
January	80.9	6.8	236.6	76.6	5.6	4.2	.8	1915.5
February	73.6	.5	236.3	73.4	6.0	5.0	.6	1977.3
March	91.0	(.4)	241.6	86.1	6.9	2.5	.8	2053.2
April	54.0	1.1	255.2	39.3	6.8	2.2	.7	2082.7
May	12.6	.1	263.6	4.1	6.3	4.3	.7	2075.5
June	10.3	1.0	266.0	6.9	7.3	5.1	1.9	2068.0
July	14.8	.2	274.7	5.9	5.7	3.3	.6	2064.4
August	39.5	2.5	299.1	12.6	6.3	2.5	.4	2067.8
September	56.0	.3	314.5	40.3	6.3	3.7	.8	2097.3
October	85.0	1.9	325.9	71.7	7.2	5.7	1.9	2154.3
November	53.4	1.2	321.9	56.2	6.4	3.5	1.2	2199.4
December	71.2	5.4	322.9	64.8	8.1	13.9	.5	2241.7

Figure in parentheses represents deductions due to adjustments.

Source: Office of the Administrator, Housing and Home Finance Agency.

TABLE 11d.—*FNMA home financing activity, by calendar year: 1938–52*

[In millions of dollars]

Year	Advance commitments and purchase authorizations	Cancellations	Outstanding commitments (At year end)	Purchases	Sales	Repayments and other credits	Unpaid mortgage balance (At year end)
1938	102.2	2.5	17.5	82.2	----------	1.9	80.3
1939	69.9	5.5	7.8	74.1	.4	7.2	146.8
1940	51.1	2.5	8.4	48.0	(1)	13.7	181.1
1941	42.3	2.1	6.3	42.3	(1)	16.6	206.8
1942	18.4	1.1	.4	23.2	----------	19.1	210.9
1943	1.2	.1	(1)	1.5	126.6	21.3	64.5
1944	.2	(1)	----------	.2	(1)	12.3	52.4
1945	.1	----------	(1)	.1	38.6	6.5	7.4
1946	.1	----------	(1)	(1)	(1)	1.8	5.6
1947	.8	(1)	.7	.1	----------	1.3	4.4
1948	431.9	8.0	226.7	197.9	----------	3.0	199.3
1949	1,356.1	86.5	824.1	672.2	19.8	23.3	828.4
1950	1,069.7	364.4	485.1	1,044.3	469.4	56.6	1,346.7
1951	684.1	252.8	239.1	677.3	111.1	63.4	1,849.5
1952	642.3	20.6	322.9	537.9	55.9	89.8	2,241.7

[1] Less than $0.5 million.

Source: Office of the Administrator, Housing and Home Finance Agency.

TABLE 11e.—*FNMA sales and purchases, by month: 1951–52*

[Thousands of dollars]

Year and month	FNMA total	Federal Housing Administration										Veterans Administration			
		Total	Sec. 8	Sec. 203	Sec. 207	Sec. 213	Sec. 603	Sec. 608	Sec. 803	Sec. 903	Sec. 908	Total	Sec. 501	Sec. 502	Sec. 505 (a)
	Purchases														
1951															
January	81,213	1,232	----	770	----	----	----	462	----	----	----	79,981	79,857	46	78
February	75,901	944	----	708	----	----	32	204	----	----	----	74,957	74,845	28	84
March	91,119	4,012	5	1,311	----	----	57	2,639	----	----	----	87,107	86,953	61	93
April	29,354	1,493	28	1,150	----	----	18	297	----	----	----	27,861	27,741	13	107
May	31,772	3,137	32	2,651	----	216	32	206	----	----	----	28,635	28,486	29	120
June	49,192	7,045	139	6,720	----	24	----	162	----	----	----	42,147	41,861	57	226
July	58,328	8,766	266	6,529	136	----	----	1,835	----	----	----	49,562	49,387	84	91
August	61,776	9,921	387	8,012	46	146	----	1,330	----	----	----	51,855	51,686	62	107
September	38,188	6,517	404	5,722	109	----	35	277	----	----	----	31,041	31,494	59	88
October	51,221	12,446	709	5,759	100	----	5	5,873	----	----	----	38,775	38,507	223	45
November	40,148	8,855	1,323	6,980	75	7	43	427	----	----	----	40,293	40,161	116	16
December	60,097	10,054	2,229	7,723	----	86	16	----	----	----	----	50,043	49,949	83	11
1952															
January	76,568	10,998	3,012	7,767	12	176	31	----	----	----	----	65,570	65,503	55	12
February	73,412	11,541	2,944	8,226	15	349	----	7	----	----	----	61,871	61,796	57	18
March	86,066	15,284	1,973	10,659	64	14	----	23	1,865	686	----	70,782	70,632	75	75
April	39,242	9,336	1,133	7,081	----	----	----	183	----	939	----	29,906	29,827	50	29
May	4,050	2,378	478	841	----	----	----	----	----	1,059	----	1,672	1,672	----	----
June	6,879	5,314	405	914	----	----	----	86	----	3,909	----	1,565	1,565	----	----
July	5,941	4,727	563	1,070	----	258	----	283	----	2,553	----	1,214	1,214	----	----
August	12,627	10,808	950	1,169	143	----	----	168	----	8,378	----	1,819	1,819	----	----
September	40,342	16,097	603	2,533	----	159	----	4,940	----	7,862	----	24,245	24,245	----	----
October	71,722	22,001	1,866	7,252	----	----	----	244	----	12,116	523	49,721	49,721	----	----
November	56,199	27,550	2,671	5,738	----	441	----	----	----	18,700	----	28,649	28,643	6	----
December	64,824	31,673	1,494	6,708	60	446	----	83	----	22,125	757	33,151	33,151	----	----

	Sales															
1951																
January	18,983	9,184	....	1,912	....	....	6.932	340	....	....	....	9,799	8,778	....	1,021
February	11,031	1,938	....	751	....	....	1,187	....	....	....	....	9,093	8,801	....	292
March	20,998	4,451	....	1,301	....	....	3,150	....	....	....	....	16,517	16,276	....	271
April	24,533	2,369	....	620	....	....	1,749	....	....	....	....	22,164	21,790	....	374
May	16,038	1,231	....	402	....	....	10	819	....	....	....	14,807	14,755	....	52
June	2,977	....	....	....	....	....	....	....	....	....	....	2,977	2,977	....	....
July	1,201	219	....	205	....	....	14	....	....	....	....	982	955	....	27
August	4,438	1,643	....	690	....	....	953	....	....	....	....	2,795	2,601	....	194
September	2,018	431	....	445	....	....	(14)	....	....	....	....	1,587	1,587	....	....
October	2,783	2,007	....	1,860	....	....	147	....	....	....	....	776	725	....	51
November	3,425	2,622	....	2,622	....	....	....	....	....	....	....	803	640	....	163
December	2,690	2,049	9	2,040	....	....	....	....	....	....	....	641	511	....	130
1952																
January	4,172	2,307	5	2,246	....	....	56	....	....	....	....	1,865	1,782	....	83
February	5,006	1,831	....	1,812	....	....	19	....	....	....	....	3,175	3,134	....	41
March	2,517	1,552	9	1,543	....	....	....	....	....	....	....	965	938	....	27
April	2,248	1,618	....	1,609	....	....	9	....	....	....	....	630	616	....	14
May	4,291	3,692	18	3,604	....	....	70	....	....	....	....	599	419	....	180
June	5,078	3,947	14	3,763	....	....	137	....	....	33	....	1,131	958	....	173
July	3,312	2,747	....	821	....	....	40	1,886	....	....	....	565	542	....	23
August	2,536	2,014	....	2,007	....	....	7	....	....	....	....	522	430	....	92
September	3,702	3,104	35	976	....	....	117	1,976	....	....	....	598	516	....	82
October	5,668	4,007	49	2,023	86	....	3	....	1,846	....	....	1,661	1,515	....	116
November	3,492	786	....	786	....	....	....	....	....	....	....	2,706	2,706	....	....
December	13,899	8,128	103	3,309	....	....	18	4,689	....	9	....	5,771	5,723	....	48

Source: Office of the Administrator, Housing and Home Finance Agency,

TABLE 12a.—*SCUR progress under Title I, PL 171: 1949–52*

Period	Localities with capital grant reservations (net)	Local programs initiated	Program operations approved		
			Preliminary planning surveys	Final planning	Project development
	Cumulative data				
July 15, 1949 to Dec. 31, 1952	253	186	191	105	26
	Annual data				
1952	15	41	56	58	17
1951	16	62	60	32	2
1950 [1]	222	83	75	15	7
	Quarterly data				
1952—4th quarter	1	12	17	19	4
3d quarter	5	7	14	10	5
2d quarter	7	13	17	14	7
1st quarter	2	9	8	15	1
1951—4th quarter	11	2	3	11	0
3d quarter	(5)	19	17	9	1
2d quarter	11	21	20	5	1
1st quarter	(1)	20	20	7	0
1950—4th quarter	6	27	28	0	0
3d quarter	21	25	24	3	2
2d quarter	119	29	22	12	4
1st quarter	76	2	1	0	1

Title I assistance approved

Period	Capital grant reservations (net)	Preliminary planning advances		Final planning advances		Temporary loans and capital grants		
		Number	Amount ($000)	Number	Amount ($000)	Number	Amount of loan funds ($000)	Amount of grant funds ($000)
	Cumulative data							
July 15, 1949 to Dec. 31, 1952	211, 981	177	5, 303	102	4, 074	20	33, 890	54, 098
	Annual data							
1952	28, 879	44	1, 314	57	2, 239	18	33, 608	53, 696
1951	10, 206	65	1, 656	31	1, 102	2	282	402
1950 [1]	172, 896	68	2, 333	14	733	0	0	0
	Quarterly data							
1952—4th quarter	6, 155	13	332	17	557	5	4, 602	3, 920
3d quarter	4, 609	11	320	10	517	2	10, 465	6, 679
2d quarter	13, 539	14	428	15	508	9	18, 331	33, 892
1st quarter	4, 576	6	234	15	657	2	210	9, 205
1951—4th quarter	3, 022	5	403	11	444	0	0	0
3d quarter	451	19	450	10	312	1	282	127
2d quarter	4, 383	20	472	6	187	1	0	275
1st quarter	2, 350	21	331	4	159	0	0	0
1950—4th quarter	4, 451	30	876	0	0	0	0	0
3d quarter	8, 005	21	764	3	328	0	0	0
2d quarter	46, 953	17	693	11	405	0	0	0
1st quarter	113, 487	0	0	0	0	0	0	0

[1] Includes 1949 activity.

Source: Office of the Administrator, Housing and Home Finance Agency.

TABLE 12b.—*SCUR operations and Federal assistance, by locality: Through December 1952*

State and locality	Capital grant reservation	Local program operations (number)			Federal—Title I assistance approved							
		Preliminary planning	Final planning	Development	Preliminary planning advances		Final planning advances		Project loan funds		Capital grant funds	
					Approved	Disbursed	Approved	Disbursed	Approved	Disbursed	Approved	Disbursed
Total	$211, 980, 650	191	105	26	$5, 303, 461	$4, 036, 735	$4, 073, 628	$2, 474, 876	$33, 890, 202	$9, 714, 300	$54, 098, 088	
Alabama	5, 299, 730	6	5		110, 096	92, 519	194, 025	87, 140				
Birmingham	2, 500, 000	1	1		34, 546	28, 100	38, 795	17, 825				
Florence	180, 250	1	1		10, 600	10, 600	30, 160	8, 385				
Gadsden	349, 160	1			18, 900	9, 000						
Huntsville	124, 110	1			8, 000	6, 840						
Mobile	850, 000	1	1		22, 000	21, 929	38, 550	38, 550				
Montgomery	1, 296, 210	1	2		16, 050	16, 050	80, 520	22, 380				
Arkansas	1, 411, 080	2	2	1	45, 075	31, 778	92, 710	89, 900	1, 334, 446	793, 200	980, 385	
Little Rock	1, 275, 000	1	2	1	29, 075	27, 840	92, 710	89, 900	1, 334, 446	793, 200	980, 385	
Texarkana	136, 080	1			16, 000	3, 938						
California	7, 291, 700	7	1		793, 593	597, 855	189, 335	160, 809				
Bakersfield	106, 890											
Calexico	40, 390	1			6, 569							
Colton	35, 210											
Los Angeles	4, 089, 330	1			191, 135	59, 692						
National City	36, 820	1			36, 000	35, 751						
Pomona	68, 390											
Redlands	73, 570	1			13, 377	11, 566						
Richmond	107, 730	1			119, 519	114, 167						
Sacramento	364, 630	1			129, 230	89, 544						
San Bernardino	170, 340											
San Francisco	2, 154, 330	1	1		297, 763	287, 135	189, 335	160, 809				
Upland	35, 070											
Colorado	2, 248, 540	1			21, 500	20, 000						
Denver	2, 248, 540	1			21, 500	20, 000						

See footnotes at end of table.

TABLE 12b.—*SCUR operations and Federal assistance, by locality: Through December 1952*—Continued

State and locality	Capital grant reservation	Local program operations (number)			Federal—Title I assistance approved							
		Preliminary planning	Final planning	Development	Preliminary planning advances		Final planning advances		Project loan funds		Capital grant funds	
					Approved	Disbursed	Approved	Disbursed	Approved	Disbursed	Approved	Disbursed
Connecticut	$3, 967, 936	14	4		$215, 345	$170, 768	$110, 110	$46, 055				
Bridgeport	656, 880	1			17, 850	16, 140						
Bristol	68, 810	1			6, 200							
East Haven	58, 800	1			15, 000	15, 000						
Hartford	832, 000	1	1		21, 500	21, 500	49, 150	21, 474				
Meriden	94, 780	1			11, 210	10, 710						
Milford	65, 380	1			11, 705							
New Haven	883, 263	1	1		20, 300	20, 300	31, 960	13, 681				
New London	123, 060	1			12, 300	9, 348						
Norwalk	163, 660	1			11, 745	11, 745						
Norwich	164, 173	1			20, 240	7, 085						
Shelton	127, 800	1	1		5, 500	4, 850	4, 000					
Stamford	399, 770	1	1		24, 965	24, 965	25, 000	10, 900				
Waterbury	259, 140	1			16, 320	13, 825						
Willimantic	70, 420	1			11, 510	6, 300						
Delaware	508, 830	1			21, 284	6, 728						
Wilmington	508, 830	1			21, 284	6, 728						
District of Columbia	3, 325, 000	1	1		170, 185	169, 785	149, 500	109, 523				
Washington	3, 325, 000	1	1		170, 185	169, 785	149, 500	109, 523				
Florida [1]	3, 896, 660	8	5		134, 825	106, 343	138, 557	75, 545				
Daytona Beach	161, 140	1	1		6, 240	6, 240	11, 000	11, 000				
Jacksonville	1, 157, 080	1			30, 000	14, 900						
Lakeland	435, 150	1	1		9, 660	9, 435	44, 260	41, 110				
Miami	666, 610	1			19, 300	18, 236						
Orlando	453, 450	1	1		30, 920	25, 200	23, 000					
Panama City	128, 000	1	1		7, 705	7, 705	11, 017	7, 935				
Tampa	699, 650	1	1		20, 000	18, 900	49, 280	15, 500				
West Palm Beach	195, 580	1			11, 000	5, 727						
Georgia [1]	5, 693, 030	7	2		206, 461	153, 580	70, 250	12, 240				
Albany	200, 830	1			8, 560							
Athens	235, 550	1			14, 150	13, 550						

Atlanta	2,705,710	1	1		124,326	117,880	40,760	12,240				
Augusta	658,280											
Griffin	164,430	1			6,325							
Macon	731,640	1			17,100							
Savannah	943,110	1	1		24,000	22,150	29,490					
Waynesboro	53,480	1			12,000							
Illinois	18,683,340	15	8	2	126,490	92,426	104,786	42,231			$10,930,825	
Aurora	186,410	1			15,542							
Champaign	155,470											
Chicago	14,420,910	1	2	2							10,930,825	
Chicago Heights	132,860	1	1		11,195	11,195	36,282	17,186				
Cook County	500,000											
Danville	333,970	1	1		16,400	14,494	11,460	5,775				
E. St. Louis	629,370											
Galesburg	182,140	1	2		7,715	7,640	5,107					
Granite City	241,780	1			9,150	7,700						
Harvey	78,540	1										
Kankakee	102,830	1			6,850	6,850						
Lincoln	88,200	1			3,816	2,500						
Peoria	700,000	1			15,700	10,100						
Robbins	26,110		1				41,860	19,270				
Rock Falls	51,240	1			6,340	5,960						
Rockford	401,520	1			15,450	12,600						
Sparta	49,280											
Streator	91,140	1			4,600							
Urbana	99,400											
Villa Grove	29,890	1			2,250	1,905						
Waukegan	182,280	1	1		11,482	11,482	10,077					
Indiana	2,676,730			2								
Indianapolis	2,676,730			2								
Kansas[2]	1,102,570	1			66,300	52,218						
Kansas City	1,102,570	1			66,300	52,218						
Kentucky	4,452,550	7	1		115,208	63,379	16,150					
Covington	343,840											
Henderson	150,000	1			10,479	3,044						
Lexington	448,700	1	1		18,165	18,165	16,150					
Louisville	2,469,320	1			28,570	8,164						
Middlesborough	128,030	1			6,780	6,780						
Newport	212,100	1			15,708	10,726						
Owensboro	249,270	1			16,500	16,500						
Paducah	389,340	1			10,006							
Paris	61,950											

See footnotes at end of table.

TABLE 12b.—*SOUR operations and Federal assistance, by locality: Through December 1952*—Continued

State and locality	Capital grant reservation	Local program operations (number)			Federal—Title I assistance approved							
		Preliminary planning	Final planning	Development	Preliminary planning advances		Final planning advances		Project loan funds		Capital grant funds	
					Approved	Disbursed	Approved	Disbursed	Approved	Disbursed	Approved	Disbursed
Louisiana	$4,064,690	2	2		$137,380	$116,949	$152,198	$40,132				
Monroe	326,760											
New Orleans	2,897,930	1	1		117,380	97,532	95,078	40,132				
Shreveport	840,000	1	1		20,000	19,417	57,120					
Maine	395,000	1			14,787	13,053						
Portland	395,000	1			14,787	13,053						
Maryland	4,312,700			2							$1,115,807	
Baltimore	4,312,700			2							1,115,807	
Massachusetts	7,410,440	13	7		332,645	269,893	171,505	66,365				
Boston	2,982,770	1	1		142,000	120,000	41,500	14,615				
Brookline	82,810	1			12,000	9,212						
Cambridge	450,000	1	2		30,650	30,300	20,600	6,900				
Chelsea	125,300											
Chicopee	107,800	1			9,820	9,820						
Clinton	81,550	1			10,350							
Fall River	670,110	1	1		17,000	15,400	24,500					
Haverhill	261,870	1			11,000							
Lawrence	214,550											
Lowell	430,380											
Lynn	329,910											
Medford	80,920	1			10,669							
Revere	81,900	1			12,850	11,175						
Somerville	369,320	1	1		25,835	25,835	29,730	21,675				
Taunton	180,000	1			11,050	10,525						
Woburn	138,800	1	1		10,100	8,305	15,000					
Worcester	816,450	1	1		29,321	29,321	40,175	23,175				
Michigan	5,509,816	5		1	32,305	16,143			$6,686,096	$3,632,000	4,761,096	
Albion	58,240	1			4,100	3,875						
Battle Creek	291,480	1			7,800	7,400						
Detroit	4,761,096	1		1					6,686,096	3,632,000	4,761,096	

Hamtramck	150,500											
Port Huron	164,290	1			13,450	4,868						
Ypsilanti	84,210	1			6,955							
Minnesota	3,780,740	3	2		70,893	38,617	56,473	52,351				
Hibbing	115,780											
Minneapolis	2,375,000	1			67,459	38,617						
Mountain Iron	13,090	1			3,434							
St. Paul	1,276,870	1	2				56,473	52,351				
Missouri	8,313,940	2	3		111,697	109,702	102,000	21,527				
Kansas City	2,490,180	1	2		56,512	56,302	80,536	12,612				
St. Joseph	627,760											
St. Louis	5,196,000	1	1		55,185	53,400	21,464	8,915				
Nebraska	1,195,320											
Omaha	1,195,320											
New Hampshire	802,140	3	2		33,500	23,028	25,900	3,200				
Dover	175,000	1	1		10,000	10,000	8,900	3,200				
Laconia	100,000											
Manchester	380,000	1	1		14,000	13,028	17,000					
Nashua	147,140	1			9,500							
New Jersey	9,492,500	14	7	4	273,720	204,484	240,946	220,935	5,534,338	1,003,000	3,480,561	
Asbury Park	48,370	1			4,550	3,550						
Atlantic City	260,000	1			19,635	18,700						
Bayonne	251,370	1			19,240	9,755						
Camden	544,110											
Elizabeth	409,850	1			19,910	9,128						
Harrison	72,240											
Hoboken	430,780	1			28,620	3,150						
Jersey City	3,028,000	1	2	2	20,800	27,411	67,274	64,828	4,031,391	1,003,000	3,027,751	
Long Branch	71,750	2			7,335	6,925						
Newark	2,212,980	1	2		37,675	37,075	96,321	96,321				
New Brunswick	141,540	1			20,900	10,800						
Orange	177,870											
Passaic	276,990	1			19,400	18,110						
Paterson	577,500	1	1		20,650	19,525	17,565					
Perth Amboy	452,810	1	2	2	24,700	24,700	59,786	59,786	1,502,947		452,810	
Plainfield	21,000											
Trenton	515,340	1			15,305	15,055						

See footnotes at end of table.

TABLE 12b.—*SCUR operations and Federal assistance, by locality: Through December 1952*—Continued

State and locality	Capital grant reservation	Local program operations (number)			Federal—Title I assistance approved							
		Preliminary planning	Final planning	Development	Preliminary planning advances		Final planning advances		Project loan funds		Capital grant funds	
					Approved	Disbursed	Approved	Disbursed	Approved	Disbursed	Approved	Disbursed
New York	$26,884,365	11	14	4	$200,218	$115,033	$339,500	$298,765			$20,199,176	
Albany	516,300	1	1		10,500	10,500	26,950					
Binghamton	253,140	1			9,750	8,770						
Buffalo	1,574,040	1			20,000						20,199,176	
New York	21,000,000	2	10	4	47,500	47,450	252,500	252,500				
Port Chester	172,875	1	1		4,800	3,650	9,000	3,900				
Rochester	916,440	1			51,126							
Schenectady	438,000		1				24,490	21,775				
Syracuse	633,300	1			9,960	9,960						
Tarrytown	15,240											
Troy	293,820	1			9,012	6,808						
Utica	317,460	1			15,650	5,995						
Yonkers	753,750	1	1		22,100	21,900	26,560	20,590				
North Carolina	2,140,910	4	2		92,455	61,246	51,950					
Charlotte	747,810	1	2		28,025	27,000	51,950					
Fayetteville	172,760	1			12,022	3,650						
Greensboro	427,140	1			27,668	11,741						
Winston-Salem	802,200	1			24,740	19,125						
Ohio	12,435,970	10	1	1	428,860	305,257	45,574	21,136	$3,097,968		2,473,171	
Cincinnati	3,742,830	1	1	1	141,000	111,557	45,574	21,136	3,097,968		2,473,171	
Cleveland	3,000,000	1			66,525	49,850						
Columbus	1,304,170	2			62,370	35,090						
Dayton	1,347,080	1			26,775	25,693						
Hamilton	423,500	1			13,870	12,430						
Springfield	495,000	1			26,750	17,735						
Steubenville	200,000	1			18,040							
Toledo	1,100,610	1			38,650	30,746						
Youngstown	822,780	1			34,880	22,156						
Oregon	1,412,880	1			107,110	104,748						
Portland	1,412,880	1			107,110	104,748						

Pennsylvania	20,483,520	14	10	2	397,437	262,557	459,283	279,705	1,223,095		1,069,578	
Allegheny County	1,795,150											
Ambridge	155,190	1			7,562	7,562						
Baden	9,730											
Beaver County	385,350											
Beaver Falls	181,200		1				12,757	12,757				
Braddock	195,720	1			22,920	19,343						
Chester	304,010		1				11,397	10,680				
Clairton	238,950	1	1		9,359	6,889	9,545					
Delaware County	263,270	1			10,900	5,325						
Dravosburg	23,940											
Duquesne	186,620											
Easton	203,490	1			10,725	4,140						
East Pittsburgh	28,420											
East Rochester	7,420											
Farrell	74,600											
Harrisburg	866,250	1	1		22,600	22,600	50,900	24,940				
Homestead	176,540											
Johnstown	511,210	1			22,470	20,150						
McKeesport	538,300	1			14,900	5,185						
McKees Rocks	148,400	1			21,300	18,193						
Munhall	106,890											
New Brighton	33,320											
New Kensington	181,510	1			7,200	6,836						
Philadelphia	6,300,000	1	3	2	194,974	97,947	272,734	213,677	1,223,095		1,069,578	
Pittsburgh	6,100,000		1				71,700					
Rankin	75,880											
Reading	425,000	1			22,527	20,557						
Rochester	33,040											
Sharon	146,020											
Sharpsburg	77,770											
Tarentum	93,660											
Turtle Creek	65,450	1			19,100	17,430						
West Homestead	31,220											
York	520,000	1	2		10,900	10,400	30,250	17,711				
Rhode Island	1,387,120	2	1		108,869	88,593	33,250	14,875				
Newport	221,550	1	1		10,400	10,400	33,250	14,875				
Providence	1,165,570	1			98,469	78,195						
South Carolina	1,034,380	2	1		37,818	24,029	33,000	31,300				
Columbia	499,380	1			20,000	8,475						
Greenville	535,000	1	1		17,818	15,554	33,000	31,300				
South Dakota	124,320											
Rapid City	124,320											

See footnotes at end of table.

TABLE 12b.—*SCUR operations and Federal assistance, by locality: Through December 1952*—Continued

State and locality	Capital grant reservation	Local program operations (number)			Federal—Title I assistance approved							
		Preliminary planning	Final planning	Development	Preliminary planning advances		Final planning advances		Project loan funds		Capital grant funds	
					Approved	Disbursed	Approved	Disbursed	Approved	Disbursed	Approved	Disbursed
Tennessee	$10,757,250	6	8	1	$117,115	$93,329	$545,600	$388,254	$8,309,300		$5,207,200	
Chattanooga	1,054,830	1	1		17,400	17,347	57,082	51,597				
Johnson City	192,200	1	1		11,685	11,680	34,700	28,250				
Knoxville	1,025,710	1	2		24,400	24,400	134,915	74,395				
Memphis	2,942,660	1	2		25,100	25,100	106,762	45,952				
Murfreesboro	254,550	1	1		7,930	7,512	39,370	34,090				
Nashville	5,207,200											
Union City	80,010	1	1	1	30,600	7,200	172,771	153,070	8,309,300		5,207,200	
Texas	8,049,790	2			131,450	58,906						
Austin	558,250											
Corpus Christi	506,800											
Dallas[3]	1,758,400	1			60,950	30,006						
Galveston	582,330											
Houston	2,206,470											
San Antonio	1,970,360	1			70,500	28,900						
Waco	467,180											
Virginia	8,591,883	7	6	1	126,208	109,015	434,307	321,943	7,178,290	$3,868,000	3,700,473	
Alexandria	342,750	1	1		12,165	12,165	39,482	12,081				
Bristol	159,000	1	1		5,850	5,850	26,000	24,765				
Danville	333,480	1			16,500	7,843						
Newport News	280,000	1			15,100	9,725						
Norfolk	3,700,473		1	1			216,825	216,825	7,178,290	3,868,000	3,700,473	
Portsmouth	1,050,600	1	2		18,700	17,515	70,500	46,790				
Richmond	2,250,000	1	1		35,502	35,502	81,500	21,482				
Roanoke	475,580	1			22,391	20,415						
West Virginia	2,539,100	1			24,675							
Boone County	175,350											
Charleston	419,860	1			24,675							
Clay County	25,690											
Fayette County	76,650											
Greenbrier County	92,960											

Kanawha County	773,000											
Lincoln County	29,260											
Logan County	271,390											
McDowell County	257,110											
Monroe County	22,680											
Point Pleasant	46,550											
Putnam County	39,620											
Raleigh County	137,830											
Summers County	38,290											
Wayne County	132,860											
Wisconsin	2,498,440	1	1		35,010	27,837	40,000					
Milwaukee	2,498,440	1	1		35,010	27,837	40,000					
Alaska	67,550											
Fairbanks	42,560											
Ketchikan	24,990											
Puerto Rico	6,232,840	15	7	5	383,299	375,484	149,788	44,960	526,669	418,100	179,816	
Mayaguez	565,110	2	2	1	105,673	102,100	26,157	24,180	282,369	194,600	127,623	
Ponce	1,057,600	1	2	1	91,426	90,184	22,081	20,780	244,300	223,500	52,193	
Puerto Rico Housing Authority	3,458,070	10	2	3	125,200	122,200	11,570					
San Juan	1,152,060	2	1		61,000	61,000	89,980					
Territory of Hawaii	1,230,000	1	2		52,802	51,170	126,931	45,924				
Honolulu	1,230,000	1	2		52,802	51,179	126,931	45,924				
Virgin Islands	266,350	1			26,840	10,274						
St. John, St. Thomas and St. Croix	266,350	1			26,840	10,274						

[1] Program suspended following adverse ruling by State Supreme Court on constitutionality of redevelopment status.
[2] Program suspended following ruling by State Supreme Court that urban redevelopment statute was unconstitutional because of defects pertaining to classification.
[3] Program suspended following ruling by State Supreme Court that existing legislation does not authorize urban redevelopment.

Source: Office of the Administrator, Housing and Home Finance Agency.

TABLE 12c.—*SOUR, characteristics of projects delineated by locality: Through December 1952*

Locality and project	Present character	Estimated no. of dwelling units		Estimated no. of families	Proposed uses (in acres)								Proposed dwelling units				Estimated cost		Estimated capital grant ($000)
		Total	Percent substandard		Total	Public rights of way	Subtotal	Residential: Private	Residential: Public	Commercial	Industrial	Public or semipublic	Total	Rental: Private	Rental: Public	Sales	Gross ($000)	Net ($000)	
Total, all projects	------	71,112	79	67,375	[4] 4,688.8	955.6	3,502.9	1,729.0	67.3	778.3	561.1	356.2	[4] 41,654	28,792	1,677	10,407	$302,610	$260,845	$174,826
Alabama:																			
Birmingham, Medical Center	R	756	67	679	69.6	11.7	57.9	57.9	-----	-----	-----	-----	600	600	-----	-----	4,643	1,641	1,094
Florence, Handy Heights	R	80	95	82	28.9	(1)	(1)	(2)	-----	(3)	-----	-----	(1)	(1)	-----	(1)	172	130	80
Mobile, Broad Street	R	484	85	482	43.5	13.3	30.2	7.7	-----	22.5	-----	-----	(1)	(1)	-----	(1)	2,011	1,255	837
Montgomery, No. Montgomery	R	225	100	242	51.4	11.6	39.8	-----	-----	1.6	37.8	0.4	-----	-----	-----	-----	1,215	1,022	681
Montgomery, Houston Hill	R	601	90	601	81.1	24.6	56.5	46.8	-----	-----	9.7	-----	150	150	-----	-----	2,017	1,492	995
Arkansas:																			
Little Rock, Central	R	240	85	202	39.9	14.3	25.6	24.8	-----	0.8	-----	-----	171	138	-----	33	2,019	1,665	980
Little Rock, Granite Mountain	R	174	95	178	109.0	20.0	89.0	62.0	-----	2.0	25.0	-----	(1)	(1)	-----	(1)	1,241	903	602
California:																			
San Francisco, Diamond Heights	PO	158	80	40	325.0	56.2	268.8	262.6	-----	6.2	-----	-----	2,519	1,676	-----	843	7,760	3,045	334
Connecticut:																			
Hartford, Front-Street	R	323	64	267	12.8	1.8	11.0	-----	-----	11.0	-----	-----	-----	-----	-----	-----	4,885	2,450	1,634
New Haven, Oak-Street	R	485	63	480	23.4	4.8	18.6	12.0	-----	4.6	-----	2.0	720	720	-----	-----	2,639	1,325	883
Shelton, Central Project	R	23	74	23	1.9	-----	1.9	-----	-----	1.9	-----	-----	-----	-----	-----	-----	268	178	118
Stamford, East Meadows	R	60	75	55	7.9	1.0	6.9	-----	-----	-----	6.9	-----	-----	-----	-----	-----	618	469	313
District of Columbia:																			
Washington, Southwest	R	1,345	80	1,345	76.6	31.7	44.9	35.9	-----	3.9	5.1	-----	900	563	-----	337	12,455	10,007	6,385
Florida:																			
Daytona Beach, Project 1	R	75	75	60	6.5	1.0	5.5	-----	-----	-----	5.5	-----	-----	-----	-----	-----	310	211	141
Lakeland, Moorehead	R	278	85	275	110.0	15.0	95.0	-----	-----	70.0	-----	25.0	-----	-----	-----	-----	1,567	1,142	761
Orlando, Project No. 1	R	322	67	412	39.0	5.3	33.7	32.7	-----	1.0	-----	-----	278	(1)	-----	(1)	1,232	1,042	694
Panama City, So. Area	R	58	85	46	12.5	2.5	10.0	-----	-----	10.0	-----	-----	-----	-----	-----	-----	561	191	127
Tampa, The Scrub	R	584	80	541	80.9	10.0	70.9	18.9	-----	26.7	14.0	11.3	260	260	-----	-----	3,458	1,781	1,188
Georgia:																			
Atlanta, McDaniel Street	R	1,611	92	1,507	139.0	22.3	116.7	-----	-----	108.3	8.4	-----	-----	-----	-----	-----	6,777	3,477	2,318
Savannah, Yamacraw	R	658	99	460	31.0	4.3	26.7	4.6	-----	14.1	-----	8.0	150	150	-----	-----	1,170	482	321
Illinois:																			
Chicago, Lake Meadows	R	2,782	74	3,600	101.3	16.2	85.1	63.9	-----	17.8	-----	3.4	2,004	2,004	-----	-----	15,886	13,764	9,176
79th and Western	PO	-----	-----	-----	40.0	8.0	32.0	31.8	-----	0.2	-----	-----	146	-----	-----	146	991	720	480
West Side Ind	R	428	87	356	52.6	(1)	(1)	-----	-----	(3)	(2)	-----	-----	-----	-----	-----	5,797	2,632	1,755
Chicago Heights East Side	R	667	72	317	57.0	15.9	41.1	27.5	11.0	0.4	2.2	-----	546	211	185	150	1,523	1,046	679

Danville, Project No. 2	R	105	77	99	15.0	4.7	10.3				10.3						458	343	232
Galesburg, Area A	R	26	77	45	2.9		2.9					2.9					104	83	56
Area B	R	13	77	14	3.2		3.2					3.2					101	84	56
Robbins, Project No. 1	R	126	74	126	50.8	13.0	37.8	35.1		2.7			228			228	2,212	1,578	849
Waukegan, Project No. 1	R	79	78	73	4.2		4.2	4.2					63	63			228	195	130
Indiana:																			
Indianapolis, Project A	R	358	87	330	178.1	24.1	154.0	61.0		9.1		83.9	479	411		68	817	(1)	(1)
Project B	R	44	100	36	7.2		7.2			1.8	5.0	0.4					240	108	72
Kentucky:																			
Lexington, Pralltown	R	187	90	190	18.2	0.7	17.5				5.0	12.5					743	357	238
Louisiana:																			
New Orleans, Poydras	R	1,391	64	1,129	77.5	12.3	65.2			9.0	41.1	15.1					8,102	4,302	2,868
Shreveport, Project No. 1	R	1,358	90	1,393	109.0	37.0	72.0	19.0		43.0	10.0		(1)	(1)		(1)	3,631	1,131	754
Maryland:																			
Baltimore, Broadway	R	1,062	80	1,110	39.0	9.8	29.2	23.5		0.5		5.2	656	656			5,725	5,061	3,374
Waverly	R	201	60	192	21.3	4.6	16.7	13.0		3.7			321	321			1,974	1,674	1,116
Massachusetts:																			
Boston, New York Street	R	968	89	669	24.4	6.8	17.6			1.1	16.5						4,028	3,278	2,185
Cambridge, Riverview	N	19	63	18	2.6	0.4	2.2	2.2					100	100			285	197	131
Rogers Redev.	R	189	83	143	5.2	0.1	5.1				5.1						527	315	210
Fall River, Eastern Avenue	R	312	70	340	20.5	5.8	14.7			14.7							1,367	662	441
Somerville, Linwood-Joy	R	330	65	328	24.9	5.9	19.0				19.0						2,124	1,473	750
Woburn, Park-Center	R	60	92	60	4.1	1.5	2.6			2.3		0.3					308	208	139
Worcester, New Salem	R	534	63	356	23.5	7.5	16.0			14.4		1.6					3,415	1,815	1,210
Michigan: Detroit, Gratiot	R	1,548	68	1,953	128.9	40.6	88.3	46.6		3.9	4.6	33.2	1,740			1,740	9,067	7,142	4,761
Minnesota:																			
St. Paul, Eastern	R	603	70	639	54.9	15.1	39.8	36.4		3.4			560	560			3,679	2,869	1,865
Western	R	880	60	926	66.5	21.6	44.9	30.3		14.6			706	706			5,694	4,133	2,300
Missouri:																			
Kansas City, Attucks	R	800	63	613	42.2	5.8	36.4	29.0		6.4	1.0		846	846			3,159	2,286	1,524
Kansas City, So. Humboldt	R	475	53	473	26.1	6.7	19.4			5.0	14.4						2,748	1,198	799
St. Louis, Memorial Plaza	N	68	93	27	14.3	2.3	12.0	8.8		2.7		0.5	14	14			4,918	3,833	2,486
New Hampshire:																			
Dover, Project No. II	R	41	98	40	2.6	.2	2.4			0.5		1.9					297	242	162
Manchester, Spruce Street	R	161	71	121	6.4	0.7	5.7			2.5	0.7	2.5					1,020	570	380
New Jersey:																			
Jersey City, Gregory	N	236	84	221	12.8	2.7	10.1	8.4		1.7			1,120	1,120			2,568	2,261	1,510
St. Johns	R	350	73	350	16.1	1.4	14.7	10.9		2.3		1.5	1,344	1,344			2,962	2,278	1,518
Newark, Branch Brook Park	R	849	89	746	20.6	8.0	12.6	11.4		1.2			560	560			3,676	3,000	1,840
Broad Street	R	364	69	343	22.6	7.3	15.3	8.8		6.5			640	640			5,238	4,068	2,713
Paterson, Middle Income	R	354	64	334	8.5	1.7	6.8	6.8					500	(1)		(1)	903	730	486
Perth Amboy, Forbesdale	PO	36	100	36	48.1	12.0	36.1	28.8		7.3			206			206	1,058	430	127
Willocks	R	76	75	76	12.0	2.6	9.4	8.1		0.9		0.4	360	360			960	537	326

See footnotes at end of table.

TABLE 12c.—*SCUR, characteristics of projects delineated by locality: Through December 1952*—Continued

Locality and project	Present character	Estimated no. of dwelling units: Total	Estimated no. of dwelling units: Percent substandard	Estimated no. of families	Proposed uses (in acres): Total	Public rights of way	Subtotal	Residential: Private	Residential: Public	Commercial	Industrial	Public or semipublic	Proposed dwelling units: Total	Rental: Private	Rental: Public	Sales	Estimated cost: Gross ($000)	Estimated cost: Net ($000)	Estimated capital grant ($000)
New York:																			
Albany, Project No. 1A	R	227	59	257	13.3	1.5	11.8			6.8	5.0						$781	$517	$344
New York, Morningside	R	1,584	100	1,584	8.3		8.3	7.7		0.6			984			984	5,842	4,540	3,027
Corlears Hook	N	889	100	826	14.7	1.8	12.9	12.3		0.6			1,667			1,667	5,627	4,501	3,001
Williamsburg	R	3,210	51	3,202	47.1	6.5	40.6	33.7		6.9			2,385	2,385			10,850	8,970	5,980
Delancey Street	R	1,541	62	1,569	12.5	2.3	10.2	8.3		1.9			1,180	1,180			3,805	3,585	2,390
Harlem	R	1,701	100	1,683	14.8	2.1	12.7	10.7		2.0			1,176	1,176			6,824	5,649	3,766
North Harlem	N	920	63	920	13.4	1.1	12.3	11.6		0.7			1,296			1,296	5,205	4,094	2,729
Washington Square	R	2,751	55	2,464	16.4	2.8	13.6	12.6		1.0			1,956	1,956			29,170	23,100	15,400
South Village	R	1,070	60	1,080	14.5	2.7	11.8	10.6		1.2			792	792			6,400	5,510	3,675
West Park	R	3,656	100	3,628	26.5	2.0	24.5	20.0		2.5		2.0	2,560	1,600		960	20,007	16,055	10,703
Fort Greene	N	444	100	444	22.5	1.3	21.2	10.7		2.7		7.8	782	507		275	6,112	4,132	2,755
Port Chester, Project No. 1	R	90	60	75	5.5	0.4	5.1				2.8	2.3					497	278	186
Schenectady, Project No. 1	R	351	72	207	11.5	2.1	9.4			9.4							2,010	1,480	987
Yonkers, Jefferson-Riverdale	R	300	64	305	7.9	0.5	7.4	7.4					342	342			1,505	1,220	813
North Carolina:																			
Charlotte, Project No. 1	R	91	90	89	8.4	0.8	7.6			2.8	4.8						682	288	192
Project No. 2	R	87	95	81	9.9	2.5	7.4			2.7	4.7						540	359	240
Ohio:																			
Cincinnati, Laurel	R	1,014	97	1,014	33.9	6.4	27.5	12.2		1.8		13.5	543	543			4,335	3,710	2,473
Pennsylvania:																			
Beaver Falls, Southend Project	R	72	81	108	10.2	1.3	8.9			8.5	0.4						487	351	234
Chester, Bethel Court	R	273	100	273	5.0	0.3	4.7			3.1	1.6						768	518	246
Clairton, Blair Redevelopment	R	119	64	112	14.1	0.9	13.2			2.5	10.7						590	390	260
Harrisburg, Project A-1	R	673	100	673	35.8	10.7	25.1	13.9	3.5	6.8		0.9	700	580	120		4,837	1,446	964
Philadelphia, East Poplar No. 2	R	184	69	156	4.1		4.1	4.1					174	174			621	528	275
East Poplar No. 3	R	532	75	342	6.4		6.4		6.4				203		203		1,259	1,077	795
Southwest Temple	R	2,262	73	1,490	49.8		49.8	26.8	10.3	6.0		6.7	1,501	1,134	317	50	9,108	7,136	4,824
University	R	415	51	285	25.4		25.4	16.2		1.3		7.9	788	788			6,945	5,899	3,762
Pittsburgh, Lower Hill	R	2,353	69	1,961	106.6	30.6	76.0	24.2		15.8		36.0	(1)	(1)		(1)	17,120	9,120	4,733
York, Project Area 1	R	75	89	72	14.8	5.4	9.4	9.4					150	70		80	406	370	242
South Pennsylvania Street	R	67	85	65	5.4	0.5	4.9					4.9					392	382	245

Rhode Island:																			
Newport, Project No. 1	R	398	58	303	28.0	3.0	25.0	22.2	......	2.8	......	......	(1)	(1)	......	(1)	1,350	750	500
South Carolina:																			
Greenville, Sullivan Street	R	358	78	343	47.1	9.5	37.6	22.4	......	2.8	8.3	4.1	103	88	......	15	1,369	797	531
Tennessee:																			
Chattanooga, Main Street	R	287	82	312	27.6	5.0	22.6	......	......	9.5	13.1	......	......	......	......	......	2,028	500	334
Johnson City, Fall Street	R	211	96	190	113.3	29.1	84.2	77.5	......	3.2	......	3.5	282	130	......	152	868	286	191
Knoxville, Magnolia	R	165	85	126	31.9	6.0	25.9	......	......	2.0	23.9	......	......	......	......	......	652	107	71
Riverfront-Willow Street	R	903	97	665	148.8	(1)	(1)	......	......	(3)	......	(2)	......	......	......	......	7,091	5,913	3,942
Memphis, Railroad Avenue	R	570	84	506	58.1	12.6	45.5	21.0	......	3.2	18.3	......	384	384	......	......	2,977	2,290	1,527
Thomas Street	R	1,471	75	1,383	239.7	63.6	176.1	59.0	......	40.3	76.8	......	440	325	......	115	4,554	2,754	1,836
Murfreesboro, The Bottoms	R	193	92	165	55.1	20.7	34.4	......	......	21.3	13.1	......	......	......	......	......	1,884	479	319
Nashville, Capitol Hill	R	622	100	351	65.0	25.0	40.0	......	......	24.5	15.5	......	......	......	......	......	10,461	7,811	5,207
Virginia:																			
Alexandria, Commercial	R	99	95	99	11.0	3.0	8.0	......	......	8.0	......	......	......	......	......	......	869	306	204
Bristol, Sullins Street	R	97	71	91	16.2	5.4	10.8	......	......	6.7	......	4.1	......	......	......	......	1,652	1,142	761
Norfolk, Project No. 1	R	2,860	100	2,940	[5] 126.9	28.3	[5] 98.6	......	31.0	10.6	34.0	15.0	752	......	752	......	8,640	5,551	3,700
Portsmouth, N. Business Distr.	R	591	80	390	37.8	4.1	33.7	......	......	29.6	......	4.1	......	......	......	......	2,626	1,311	874
Navy Yard	R	85	57	81	23.0	4.0	19.0	19.0	......	......	......	......	(1)	(1)	......	......	537	414	276
Richmond, Project No. 1	R	938	95	924	122.0	16.1	105.9	39.3	......	47.1	......	19.5	(1)	(1)	......	......	4,320	3,411	2,274
Wisconsin: Milwaukee, Lower 3d Ward	R	410	55	410	28.1	11.6	16.5	......	......	......	16.5	......	......	......	......	......	3,350	1,650	1,100
Puerto Rico:																			
Mayaguez, Malecon	R	114	95	104	7.0	1.6	5.4	......	......	......	5.4	......	......	......	......	......	361	206	128
North Concordia	R	509	86	419	19.9	4.1	15.8	......	......	......	15.8	......	......	......	......	......	1,247	643	429
Colombia	R	502	89	406	16.5	3.3	13.2	13.2	......	......	......	......	124	......	......	124	741	325	217
Ponce, El Bosque	R	196	100	159	3.4	0.5	2.9	2.9	......	......	......	......	29	......	......	29	244	78	52
Machuelito	R	411	100	348	21.0	3.4	17.6	12.5	5.1	......	......	......	154	......	100	54	177	121	81
Palo de Pan	PO	297	96	270	20.9	6.4	14.5	13.5	......	1.0	......	......	158	......	......	158	705	340	227
PRHA, Aibonito (Coqui)	R	122	94	120	3.2	0.8	2.4	2.4	......	......	......	......	25	......	......	25	155	133	89
Arecibo (La Playa)	R	550	87	627	15.3	3.4	11.9	11.9	......	......	......	......	79	......	......	79	770	544	363
Rio Piedras (El Monte)	R	1,015	78	1,342	38.4	8.8	29.6	26.5	......	3.1	......	......	367	......	......	367	2,110	1,456	971
Carolina (Catanito)	R	314	95	314	9.6	2.5	7.1	4.7	......	0.3	......	2.1	59	......	......	59	523	423	282
San Juan, Barrio Hoare	R	2,091	91	2,055	79.3	21.9	57.4	......	......	5.2	46.1	6.1	......	......	......	......	5,353	2,197	1,403
Territory of Hawaii:																			
Honolulu, Project No. 1	R	447	90	447	31.3	5.9	25.4	20.1	......	5.3	......	......	465	465	......	......	5,183	1,601	1,067
Wilson Project	PO	25	92	31	29.7	5.1	24.6	23.8	......	......	......	0.8	167	......	......	167	1,498	587	385

R = Primary residential. N = Primarily non-residential. PO = Primarily open.

[1] Not available.

[2] Predominant or exclusive reuse, acreage not yet determined.

[3] Reuse (nonpredominant and nonexclusive), acreage not yet determined.

[4] The totals shown are larger than sum of components because details not yet determined ([1]) for some projects.

[5] Includes 8 acres to be held by Norfolk Redevelopment and Housing Authority for future development.

Source: Office of the Administrator, Housing and Home Finance Agency.

Table 13.—*Lending activity under the college housing loan program: 1950–52*

[In thousands of dollars]

Period	Released by the President [2]	Undisbursed commitments	Earmarked funds [3]	Balance outstanding: Bond purchases (loans)	Balance outstanding: Construction advances	Available funds	Disbursements: Bond purchases (loans)	Disbursements: Construction advances	Bond repayments (loan repayments)
	Cumulative data, beginning April 1950 [1] through end of—								
1951, December	40,000	681	11,789	---------	85	27,445	---------	85	---------
1952, December	100,000	26,311	8,930	3,871	1,543	59,345	3,881	2,663	10

[1] Loan program approved April 20, 1950 under PL 475. Program was suspended by Presidential request on July 18, 1950 and was reactivated in January 1951.
[2] Of the $300 million authorized for loans under PL 475, the President released $40 million for use during the fiscal year ended June 30, 1952 and $60 million for the fiscal year ending June 30, 1953.
[3] Covering applications that have been approved but on which contracts have not yet been executed.

Period	Amount of applications approved ($000)	Amount of funds reserved [1] ($000)	Units in applications: Received	Units in applications: Approved	Units in applications: With reservation of funds	Units in applications: Under review—no funds reserved	Units in applications: Deferred [2]	Units in applications: Withdrawn or suspended	Units put under construction: Total [3]	Units put under construction: Started but not yet completed	Units put under construction: Completed [4]
	Cumulative data, beginning April 1950 through end of—										
1951, December	$16,895	$3,150	12,146	5,015	805	3,512	2,491	323	910	910	-------
1952, December	41,108	39,854	36,876	12,643	12,108	7,831	2,754	1,540	5,974	5,389	585

[1] On preliminary applications, pending submission and review of an aplication in full.
[2] Temporarily deferred because not directly related to the defense effort.
[3] Total units covered by contracts on which construction has started.
[4] Based on estimated date of completion.

Source: Office of the Administrator, Housing and Home Finance Agency.

TABLE 14.—*School construction program under PL 815: 1950–52*

Item	At the end of— 1952	At the end of— 1951	During the year— 1952	During the year— 1951 [1]	Percent change 1952 over 1951
Number of applications:					
Recommended by Housing and Home Finance Agency ....number..	1,040	397	643	397	+62.0
Non-Federal construction ....do....	915	333	612	333	+83.8
Approved by Federal Security Agency..do....	958	302	656	302	+117.2
Non-Federal construction ....do....	865	238	627	238	+163.4
Under contract ....do....	404	160	241	160	+52.5
Non-Federal construction ....do....	333	123	210	123	+70.7
Under construction ....do....	396	150	246	150	+64.0
Non-Federal ....do....	325	123	202	123	+64.2
Completed ....do....	79	3	76	3	(2)
Non-Federal construction ....do....	78	3	75	3	(2)
Estimated construction cost of applications:					
Recommended by HHFA ....$000..	360,417	125,803	234,614	125,803	+86.5
Non-Federal construction ....do....	321,061	97,443	223,618	97,443	+129.5
Applicants' share ....do....	79,457	20,067	59,390	20,067	+196.0
Approved by FSA ....do....	337,711	111,253	226,458	111,253	+103.6
Non-Federal construction ....do....	299,061	82,893	216,168	82,893	+160.8
Applicants' share ....do....	72,652	17,863	54,789	17,863	+206.7
Under contract ....do....	158,925	51,373	107,552	51,373	+109.4
Non-Federal construction ....do....	132,811	40,844	91,967	40,844	+125.2
Applicants' share ....do....	30,296	7,177	23,119	7,177	+222.1
Under construction ....do....	136,590	43,421	93,169	43,421	+114.6
Non-Federal ....do....	110,476	35,612	74,864	35,612	+110.2
Applicants' share ....do....	29,651	7,177	22,474	7,177	+213.1
Completed ....do....	13,405	352	13,053	352	(2)
Non-Federal construction ....do....	13,396	352	13,044	352	(2)
Applicants' share ....do....	1,381	0	1,381	0	....

[1] Includes all 1950 activity.
[2] Greater than +999.9 percent.

Source: Office of the Administrator, Housing and Home Finance Agency.

TABLE 15.—*Defense community facilities under PL 139: 1951–52*

Item	Cumulative from Sept. 1, 1951 through end of— December 1952	September 1952	June 1952	March 1952 [1]	During last 6 months 1952
Applications filed ....number..	223	190	148	56	75
Applications approved ....do....	59	41	24	2	35
Housing and Home Finance Agency:					
Sole responsibility ....do....	39	26	13	1	26
Joint responsibility ....do....	20	15	11	1	9
Federal Security Agency joint responsibility ....number..	20	15	11	1	9
Estimated construction cost—total funds:					
Applications filed ....$000..	115,098	98,851	84,093	29,946	31,005
Applications approved ....do....	37,114	30,069	16,476	3,657	20,638
HHFA:					
Sole responsibility ....do....	8,245	5,717	3,820	300	4,425
Joint responsibility ....do....	17,834	15,851	7,532	2,108	10,302
FSA joint responsibility ....do....	11,035	8,501	5,125	1,249	5,910
Portion of estimated construction cost required from Federal grant and loan funds:					
Applications filed ....$000..	75,757	66,491	55,571	19,698	20,186
Applications approved ....do....	18,363	13,474	8,817	657	9,546
HHFA:					
Sole responsibility ....do....	7,268	5,074	3,424	300	3,844
Joint responsibility ....do....	6,643	5,380	3,128	224	3,515
FSA joint responsibility ....do....	4,452	3,020	2,265	133	2,187
Portion of estimated construction cost available from applicants' fund:					
Applications filed ....$000..	38,390	31,113	28,225	9,951	10,165
Applications approved ....do....	18,751	16,595	7,661	3,000	11,090
HHFA:					
Sole responsibility ....do....	977	643	397	....	580
Joint responsibility ....do....	11,191	10,741	4,404	1,884	6,787
FSA joint responsibility ....do....	6,583	5,481	2,860	1,116	3,723

[1] First report released.

Source: Office of the Administrator, Housing and Home Finance Agency.

TABLE 16.—*First and second advance planning programs: 1944–52*

Status of applications	At end of— 1952	At end of— 1951	At end of— 1950	During the year— 1952	During the year— 1951	Percent change 52/51
First and second advance planning programs:[1]						
Number, with advances:						
Approved ....number..	7,835	7,883	7,738	−48	145	xx
Paid out (plans completed) ....do....	7,373	7,028	6,374	345	654	−47.2
Repaid (construction started) ....do....	3,323	2,956	2,436	367	520	−29.4
Estimated construction cost, advances:						
Approved ....$000..	3,721,196	3,680,909	3,343,423	40,287	337,486	−88.1
Paid out (plans completed) ....do....	3,151,617	2,828,293	2,425,636	323,324	402,657	−19.7
Repaid (construction started) ....do....	1,307,956	1,076,470	828,668	231,486	247,802	−6.6
Amount of advances:						
Approved ....do....	68,932	71,954	68,773	−3,020	3,179	xx
Paid out (plans completed) ....do....	56,703	51,010	43,353	5,693	7,657	−25.6
Repaid (construction started) ....do....	20,637	16,927	12,993	3,710	3,934	−5.7
First advance planning program:						
Number, with advances:						
Approved ....number..	6,552	6,566	6,655	−14	−89	xx
Paid out (plans completed) ....do....	6,425	6,394	6,274	+31	+120	−74.2
Repaid (construction started) ....do....	2,893	2,726	2,412	+167	+314	−46.8
Estimated construction cost, advances:						
Approved ....$000..	2,611,650	2,605,498	2,684,106	6,152	−78,608	xx
Paid out (plans completed) ....do....	2,542,023	2,499,863	2,394,716	42,160	105,147	−59.9
Repaid (construction started) ....do....	1,056,709	973,017	821,752	83,692	151,265	−44.7
Amount of advances:						
Approved ....do....	47,276	47,618	49,835	−342	−2,217	xx
Paid out (plans completed) ....do....	45,149	44,606	42,612	543	1,994	−72.8
Repaid (construction started) ....do....	16,995	15,526	12,895	1,469	2,631	−44.2

[1] First advance planning program approved October 3, 1944 (PL 458)—expired June 30, 1917; second advance planning normal program approved October 13, 1949 (PL 352)—restricted October 30, 1950; second advance planning restricted program established by revised instructions with respect to the normal program issued by the Administrator October 30, 1950—expired October 13, 1951.

Source: Office of the Administrator, Housing and Home Finance Agency.

TABLE 17.—*Lending activity under the Alaska Housing Authority: 1949–52*

Period	Lending limitation[1] ($000)	Loans outstanding ($000)	Undisbursed commitments ($000)	Funds available[2] ($000)	Disbursements in transit and earmarked funds ($000)	Loan commitments made ($000)	First mortgage loan commitments: Number of borrowers	First mortgage loan commitments: Amount ($000)	First mortgage loan commitments: Number of dwelling units	Total loan disbursements ($000)	Repayments ($000)
	Cumulative data, beginning April 23, 1949 and through end of—										
1950, December	10,000	1,594	2,972	5,434	....	4,566	12	4,480	381	1,594	......
1951, December	13,875	5,224	1,065	5,145	2,441	6,400	14	5,693	480	5,315	89
1952, December	19,000	10,748	844	7,281	127	12,799	18	12,026	897	11,913	1,165
1952—January	13,875	5,332	992	5,046	2,505	6,423	14	5,715	480	5,431	99
February	13,875	5,446	3,119	599	4,711	8,680	15	7,972	630	5,561	114
March	13,875	6,915	1,649	1,647	3,665	8,680	15	7,972	630	7,031	115
April	13,875	7,106	4,926	774	1,070	12,165	16	11,457	882	7,239	133
May	13,875	7,708	4,310	940	917	12,165	16	11,457	882	7,848	140
June	15,000	8,218	3,799	1,594	1,389	12,165	16	11,457	882	8,359	141
July	19,000	9,288	2,223	6,925	564	12,165	16	11,457	882	9,935	647
August	19,000	9,873	1,522	6,934	671	12,165	1	11,457	882	10,607	734
September	19,000	9,937	1,591	7,029	443	12,406	17	11,633	892	10,778	841
October	19,000	10,546	749	7,262	443	12,406	17	11,633	892	11,021	1,074
November	19,000	10,704	922	7,235	139	12,787	17	12,014	892	11,823	1,120
December	19,000	10,748	844	7,281	127	12,799	18	12,026	897	11,913	1,165

[1] Since July 1952, funds authorized total $20 million—$15 million under PL 52, April 23, 1949 and $5 million under PL 531, July 14, 1952; funds appropriated total $19 million—$10 million under PL 343, October 10, 1949; $3,875,000 under PL 253, November 1, 1951; $1,125,000 under PL 375, June 5, 1952; and $4 million under PL 547, July 15, 1952.

[2] Exclude disbursements in transit and earmarked funds.

Source: Housing and Home Finance Agency, Office of the Administrator.

TABLE 18.—*FHA insuring activity in Alaska: 1949–52*

Period	Dwelling units insured					Dwelling units started [1]			Dwelling units completed [1]		
	Total	In 1- to 4-family structures			In project structures	Total	In 1- to 4-family structures	In project structures	Total	In 1- to 4-family structures	In project structures
		Total	New	Existing							
	Cumulative data, beginning April 1949 [2] and through—										
End of 1952	4,223	609	228	381	3,614	4,098	962	3,136	3,457	838	2,619
	Annual data										
1949 [2]	792	43	8	35	749	771	22	749	16	16	--------
1950	1,590	128	28	100	1,462	1,891	128	1,763	497	59	438
1951	1,224	239	115	124	985	577	247	330	1,261	196	1,065
1952	617	199	77	122	418	859	565	294	1,683	567	1,116
	Percent change 1952 from—										
1951	−49.6	−16.7	−33.0	−1.6	−57.6	+48.9	+128.7	−10.9	+33.5	+189.3	+4.8
1950	−61.2	+55.5	+175.0	+22.0	−71.4	−54.6	+341.4	−83.3	+238.6	+861.0	+154.8

[1] Data adjusted—based on estimated year-end inventory prepared as of November 30, 1952.
[2] FHA Alaska Housing program reflected in these data was approved April 23, 1949 under PL 52; 553 home units insured prior to that date are excluded from this table.

Source: Federal Housing Administration.

TABLE 19.—*FNMA authorizations in Alaska: 1949–52*

Period	Total FHA and VA			FHA: Section 608		FHA: Section 207		FHA: Section 203		VA: Sec. 501—60 percent guaranteed	
	Dwelling units [1]	Number of mortgages	Amount ($000)	Number of mortgages	Amount ($000)	Number of mortgages	Amount ($000)	Number of mortgages	Amount ($000)	Number of loans	Amount ($000)
	Cumulative data beginning approximately January 1949 and through—										
End of 1952	3,742	855	43,737	13	17,061	12	15,389	829	11,278	1	9
	Annual data										
1949	1,248	138	11,142	7	10,402	-------	---------	131	740	-------	---------
1950	561	22	6,563	6	6,404	-------	---------	16	159	-------	---------
1951	886	60	10,128	-------	137	6	9,322	54	669	-------	---------
1952	1,047	635	15,904	-------	118	6	6,067	628	9,710	1	9
	Percent change 1952 from—										
1951	+18.2	+958.3	+57.0	-------	−13.9	-------	−34.9	(2)	(2)	xx	xx
1950	+86.6	(2)	+142.3	xx	−98.2	xx	xx	(2)	(2)	xx	xx

[1] All dwelling unit data were revised as of January 31, 1953, data through May 1952 were estimated.
[2] Greater than +999.9 percent.

Source: Office of the Administrator, Housing and Home Finance Agency.

TABLE 20.—*Lending activity under the prefabricated housing program: 1950–52*

Item	At the end of—			Net change for—		Percent change 52/51
	1952 ($000)	1951 ($000)	1950 ($000)	1952 ($000)	1951 ($000)	
Loan commitments	[1] 48,419	[2] 44,209	[3] 39,302	4,210	4,907	−14.2
Section 102	33,030	32,790	28,208	243	4,582	−94.7
102a	4,295	325	xx	3,970	325	xx
4 (a) 1	7,023	7,023	7,023			
5 (d) 2	3,072	3,072	3,072			
VEHA 1946	1,000	1,000	1,000			
Loan disbursements	42,801	37,818	26,427	4,983	11,391	−56.3
Section 102	29,555	27,831	21,190	1,724	6,641	−74.0
102a	2,316	38	xx	2,278	38	xx
4 (a) 1	6,923	5,943	1,230	980	4,713	−79.2
5 (d) 2	3,020	3,020	3,020			
VEHA 1946	986	986	986			
Undisbursed loan commitments	3,031	4,680	12,230	−1,649	−7,550	xx
Section 102	1,122	2,412	6,506	−1,290	−4,094	xx
102a	1,909	287	xx	1,622	287	+465.2
4 (a) 1		981	5,725	−981	−4,744	xx
Repayments	25,544	7,392	4,511	18,152	2,881	+530.1
Section 102	15,536	5,055	2,678	10,481	2,377	+340.9
102a	1,468		xx	1,468		
4 (a) 1	6,590	563	253	6,027	310	xx
5 (d) 2	1,148	1,048	1,012	100	36	+177.8
VEHA 1946	802	726	568	76	158	−51.9
Charge-offs and judgments receivable	7,913	(7)	(7)	xx	xx	xx
Section 102	6,233	(7)	(7)	xx	xx	xx
5 (d) 2	1,680	(7)	(7)	xx	xx	xx
Outstanding principal balance	9,344	30,425	21,917	−21,081	8,508	xx
Section 102	7,787	22,775	18,513	−14,988	4,262	xx
102a	848	38	xx	810	38	xx
4 (a) 1	334	5,379	977	−5,045	4,402	xx
5 (d) 2	192	1,973	2,009	−1,781	−36	xx
VEHA 1946	184	260	419	−76	−159	xx
Funds still remaining	59,902	40,031	25,142	19,871	14,889	+33.5
Section 102 [4]	41,091	24,813	24,981	16,278	−168	xx
102a [5]	12,241	14,675	xx	−2,434	14,675	xx
4 (a) 1 [6]	6,570	543	201	6,027	342	xx

[1] Includes $2,586,684 cancellations.
[2] Includes $1,710,963 cancellations.
[3] Includes $644,000 cancellations.
[4] Lending authority under PL 901 $50,000,000—includes $12 million disbursed to Lustron Corporation that is no longer in the "outstanding category."
[5] Lending authority under PL 139 $15,000,000.
[6] Lending authority transferred from RFC $6,903,300.
[7] Not available.

Source: Office of the Administrator, Housing and Home Finance Agency.

TABLE 21.—*Home loan guaranty operations under the Veterans Administration: 1944–52*

Period	Number of home applications received: Total [4]	Number of home applications received: New and proposed homes [5]	Units in appraisal requests: proposed homes [5]	Units in appraisal assignments: proposed homes	Home loans closed: Number: Total [6]	Home loans closed: Number: First mortgages [7] [10]	Home loans closed: Principal amount: Total ($000)	Home loans closed: Principal amount: First [7] mortgages ($000)	Home loans closed: Total amount of guaranty or insurance ($000)	Estimated outstanding principal amount at end of period ($000)
Cumulative data [12]										
June 1944–Dec. 1952	3,117,450	(3)	(3)	(3)	2,874,302	2,461,537	18,483,391	17,906,469	9,752,469	[2] 14,600,000
Annual data										
1945 [8]	51,035	(3)	(3)	(3)	43,256	38,250	192,240	191,874	72,749	500,000
1946	519,848	(3)	(3)	(3)	412,037	402,044	3,302,307	2,285,832	1,092,891	2,600,000
1947	559,320	(3)	(3)	(3)	[1] 541,922	[1] 494,423	3,286,166	3,228,053	1,558,700	5,800,000
1948	330,367	(3)	(3)	(3)	349,934	256,266	1,880,967	1,743,102	927,580	7,200,000
1949	344,947	(3)	(3)	(3)	276,793	177,880	1,423,591	1,275,881	726,004	8,100,000
1950	[1] 622,924	432,330	(3)	(3)	497,596	373,906	3,073,309	2,903,163	1,663,721	10,300,000
1951	377,530	259,174	164,365	160,861	447,373	413,997	[1] 3,614,480	[1] 3,569,186	[1] 2,124,245	13,200,000
1952	312,908	197,125	226,299	207,634	306,783	306,072	2,721,075	2,719,990	1,589,179	[2] 14,600,000
Percent change 1952 from—										
1951	−17.1	−23.9	+37.7	+29.1	−31.4	−26.1	−24.7	−23.8	−25.2	+10.6
1950	−49.8	−54.4	xx	xx	−38.3	−18.1	−11.5	−6.3	−4.5	+41.7
Semiannual data										
1949, 1st half	132,471	(3)	(3)	(3)	118,033	72,316	584,172	512,585	302,450	[11] 7,700,000
2d half	212,476	(3)	(3)	(3)	158,760	105,573	839,419	763,296	423,554	8,100,000
1950, 1st half	277,801	189,000	(3)	(3)	221,600	156,815	1,273,169	1,182,299	634,679	[11] 9,300,000
2d half [9]	[1] 345,123	243,330	256,000	236,049	[1] 275,996	217,091	1,800,141	1,720,864	1,029,042	10,300,000
1951, 1st half	205,227	145,243	90,978	90,833	240,942	212,852	[1] 1,833,574	[1] 1,795,010	[1] 1,079,554	11,800,000
2d half	172,303	113,931	73,387	70,028	206,431	201,145	1,780,906	1,773,276	1,044,691	13,200,000
1952, 1st half	147,549	93,159	113,692	103,434	161,530	160,905	1,421,817	1,420,898	830,088	13,900,000
2d half	165,359	103,966	112,607	104,200	145,253	145,167	1,299,258	1,299,092	759,091	[2] 14,600,000

[1] All-time high. [2] Preliminary. [3] Not available. [4] Includes applications for existing home loans and for alteration and repair, not shown separately. [5] Partially estimated. [6] Includes second mortgage loans, not shown separately. [7] Includes primary loans closed under Sec. 501 and refinanced loans closed under Sec. 507. [8] Program authorized in June 1944; all 1944 activity included in 1945 data. [9] Applications for second mortgage loans were terminated October 20, 1950. [10] Semiannual high was 254,084 loans during first 6 months 1947. [11] Estimated by HHFA. [12] Cumulative data reflect revisions not shown in annual data.

Source: Veterans Administration.

TABLE 22.—*Farm housing loans and grants under PL 171: 1949–52*

Period	Applications: Received	Applications: On hand at end of period	Number of individuals receiving aid: Total	Building loans	Land loans [2]	Repair grants [3]	Dollar volume of loans and grants obligated: Total ($000)	Building loans ($000)	Land loans ($000)	Repair grants ($000)
	Cumulative data—initial loans, beginning July 15, 1949 and through—									
End of 1952	58,454	6,995	[1] 16,773	16,107	(635)	666 (110)	[1] 79,453	77,814	1,283	355
	Annual data									
1950 [4]	29,588	9,434	6,882	6,620	(257)	262 (54)	30,000	29,509	350	142
1951	15,300	8,778	5,047	4,831	(182)	216 (33)	23,451	22,964	366	120
1952	13,566	6,995	4,844	4,656	(196)	188 (23)	26,004	25,343	567	93
	Percent change 1952 from—									
1951	−11.3	−20.3	−4.0	−3.6	+7.7	−13.0	+10.9	+10.4	+54.9	−22.5
1950	−54.2	−25.9	−29.6	−29.7	−23.7	−28.2	−13.3	−14.1	+62.0	−34.5

[1] Subsequent loans, by the end of 1952 had been made to 472 individuals for $745,203.
[2] Parentheses indicate that each individual received also a building loan.
[3] Parentheses indicate the number of individuals who received also a building loan.
[4] Includes all 1949 activity.

Sources: U. S. Department of Agriculture, Farmers Home Administration.

TABLE 23.—*HHFA consolidated report of Lanham Act and related housing funds: As of December 31, 1952*

HHFA funds	Available funds	Allotments	Obligations	Expenditures	Unallotted balance
Total	$2,297,352,851.94	$2,297,349,496.56	$2,296,804,009.52	$2,296,665,366.97	$3,355.38
Public Law 849—Lanham:					
Title I—Other than District of Columbia	1,454,458,729.36	1,454,455,373.98	1,454,084,726.49	1,454,083,859.16	3,355.38
Title IV—District of Columbia	11,306,795.83	11,306,795.83	11,306,795.83	11,306,795.83	--------
Title V—Veteran's housing	437,954,166.26	437,954,166.26	437,779,326.71	437,641,551.49	--------
Public Law 256—Veterans reuse	22,812,407.81	22,812,407.81	22,812,407.81	22,812,407.81	--------
Public Law 375—Temporary housing	7,217,937.13	7,217,937.13	7,217,937.13	7,217,937.13	--------
Public Law 9 Temporary shelter	308,987,922.60	308,987,922.60	308,987,922.60	308,987,922.60	--------
Public Law 781—Army-Navy appropriation	54,614,892.95	54,614,892.95	54,614,892.95	54,614,892.95	--------

Source: Office of the Administrator, Housing and Home Finance Agency.

Appendix B

EXECUTIVE MESSAGES AND FEDERAL LEGISLATION AFFECTING HOUSING IN 1952

A. Executive Messages

The President's messages to Congress in 1952 stressed that 1952 was a crucial year in the defense effort and emphasized the importance of channeling private and public activities into defense mobilization. Federal aid to housing and community facilities, except where it contributed to defense needs, was being reduced, the President reported. However, he added that a sufficient quantity of housing should be built during 1952 in order that human productiveness and morale should not be impaired.

Legislation was recommended for the provision of housing and community facilities in defense areas, Federal aid to schools in defense areas, and extension of provisions in the Defense Production Act relating to production expansion and the control of prices and credit, including real estate credit controls. The President's Midyear Economic Report reviewed the progress of defense mobilization and its impact on the economy and concluded that the defense program was not impairing the standard of living of the country. It was predicted that more than a million new homes would be built in 1952.

The President's Economic Report to the Congress in January 1952[1] reviewed the gains in the economic strength of the country and the strain of the defense program upon that economic strength. The President warned that in order to accomplish the necessary defense-related expansion the country would have to give up many things—more in 1952 than in 1951. The demand for vital business expansion meant that many nonessential forms of private investment would have to be deferred. Housing starts, which were 1.4 million in 1950 and about 1.1 million in 1951, should be reduced, the report stated. The Government would have to continue to hold down the volume of new public construction expenditures for schools, hospitals, low-rent public housing, and new natural resource development projects.

The President pointed out, however, that even with the necessity of maintaining a large national security program for an indefinitely long period, the country should not lose sight of the importance of human productiveness and morale. These depend upon adequate supplies of food, shelter, and clothing, and adequate education, health services and social security. He added, though, that for the next year or so, while the defense program is placing such heavy demands upon materials and the labor force, it must be recognized that only limited progress could be made in that direction. He said that while housing would have to be curtailed, a sufficient quantity should be built during 1952 to take care of essential needs.

The President recommended the following legislation, among other proposals, to promote the defense effort, strengthen the economy, and to maintain economic stability: provision for the construction of needed housing and community facilities in defense areas; Federal aid to help meet school operating costs, and increased aid for school construction and operation in critical defense areas; and

[1] House Doc. 303, 82d Congress.

extension of the Defense Production Act for two additional years with strengthening of the provisions relating to production expansion and to the control of prices and credit.

When he reported to the Congress on the state of the Union[2] the President emphasized again that 1952 was a crucial year in the defense effort and stated that the country's defense preparations were far from complete. Defense needs would take a lot of steel, aluminum, copper, nickel, and other scarce materials—which meant smaller production of some civilian goods. However, decent housing and good working conditions were not luxuries but necessities, if the working men and women continued to outproduce the rest of the world. While the country must choose to do the things that contribute most to defense, progress must be continued if the country is to be strong in the years ahead, the report went on to say.

In his budget message[3] for the fiscal year 1953 the President referred to the progress being made in the post-World-War-II years on a comprehensive housing and community development program and stated that since the attack on Korea these programs had been adapted to meet defense needs. Housing was discussed in the budget message as follows: total housing construction was being reduced to free materials and manpower for more essential uses and to help stabilize prices and wages in the construction industry. The Federal Government was assisting State and local governments to provide housing and community facilities in defense areas. Almost a third of the new homes built in fiscal year 1953 should be in areas serving military and defense installations. About 140 areas had been designated as critical defense housing areas, and additional areas would be designated as the need developed. Roughly 400,000 new housing units would be built or placed under construction to meet needs in critical defense areas during the next 18 months. However, private enterprise was being primarily relied on to provide the needed housing and facilities in these areas, and Federal loans and grants for community facilities in such areas would be available only to the extent that the financial resources of such communities were inadequate to finance the facilities required. Additional appropriations of $325 million for fiscal year 1953 for defense housing and community facilities were estimated to be needed. An increase of $1 billion in the FHA total authority to insure housing mortgages, principally for insurance of defense housing mortgages, would also be needed. The President recommended that 75,000 new units of low-rent public housing should be started in fiscal year 1953 as compared to the average of 135,000 units a year authorized in the Housing Act of 1949. In fiscal year 1953 local housing authorities would repay a substantial amount of Federal loans with funds raised by the sale of their own obligations to private investors, but annual payments of contributions to assist in maintaining the low-rent character of the housing would increase as many of the new units then under way were completed and occupied. College housing loans were being confined exclusively to institutions having housing shortages resulting directly from defense activities. College housing loan commitments had been limited to $40 million in fiscal year 1952 and an additional $20 million would be made available in 1953. The President stated he was recommending a supplemental appropriation to the Alaska housing revolving fund, as well as appropriations for necessary public works in Alaska.

With respect to slum clearance and urban redevelopment, the message told the Congress that under policies then in effect communities might acquire sites

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[2] House Doc. 269, 82d Congress.
[3] House Doc. 331, 82d Congress.

for redevelopment but might not demolish existing structures or construct new structures unless such steps were consistent with defense needs. Under these conditions new loan commitments were not expected to exceed $100 million (the statute authorized $250 million) and expenditures were estimated at $25 million. No payments for capital grants were expected in fiscal year 1953 although the basic statute authorized contracts for capital grants of $100 million a year.

The budget message also contained a recommendation for the enactment of legislation establishing a Federal flood-insurance system.

With respect to direct Veterans' Administration housing loans to veterans, the budget message stated that it was estimated that the sale of loans already made would provide adequate funds to meet the need for new loans.

In another message to the Congress on February 11, 1952,[4] the President recommended that the Defense Production Act of 1950 be extended for 2 years and strengthened in a number of respects. The message requested that Congress should provide authority for more flexible administration of credit controls, so that they could be expanded or contracted quickly to meet any eventuality.

In July 1952 the President submitted his Midyear Economic Report[5] to the Congress. The President reported that the facts revealed beyond question that the security programs undertaken were not threatening—much less depleting or impairing—the strength of the domestic economy. Despite the burden of these programs, the business system of the country had been doing better and the people had been living better than ever before. The report went on to say that there was then a good supply of all important types of civilian goods. People were enjoying not only more of the necessities but also more of the comforts of life. From early 1951 to early 1952, American homes were equipped with an additional 2 million washing machines, almost 2 million additional refrigerators, about 3½ million additional radio receivers, and more than 4 million additional television receivers. More than a million new homes would be built in 1952.

The report discussed outstanding immediate problems and stated, among other things, that the country had not yet achieved the necessary build-up of defense strength, but that notable progress had been made. The report went on to say that we cannot afford to reduce the size of our efforts in the pursuit of world peace and that the nonsecurity outlays of the Government had already been cut severely. However, because of the long-run needs of an expanding economy and growing population, the nation cannot afford for long—although it had had to risk it for a while—to hold outlays for such items as resource development and slum clearance at the current levels.

On May 5, 1952, the President asked the Congress to enact national flood-insurance legislation and transmitted a proposed bill for this purpose.[6]

B. The Congress and Federal Legislation

The Housing Act of 1952 and other laws affecting housing enacted by the 82d Congress during 1952 amended and extended existing housing laws, limited the low-rent public housing program, and provided appropriations for the administration and operation of housing and community facilities and services programs. Many of the changes in existing laws were designed to assist the provision of defense housing and community facilities and services. Congressional committees studied mortgage financing, surveyed the housing programs in operation, and investigated the housing built under the FHA mortgage

[4] House Doc. 347, 82d Congress.
[5] House Doc. 489, 82d Congress.
[6] House Doc. 458, 82d Congress.

insurance and VA's GI home loan guaranty programs. Following is a brief summary of the Federal legislation relating to housing and community facilities enacted during the year 1952, and the congressional investigations and studies of housing programs and problems:

1. Housing Act of 1952

The Housing Act of 1952, Public Law 531, approved July 14, 1952, increased authorization and made other changes in existing law. These changes were designed to assist the provision of housing and community facilities and services required to meet the needs of defense workers and military personnel in critical defense housing areas and to facilitate the operation of the housing laws.

Increase in FHA Mortgage Insurance Authorization

The Housing Act of 1952 provided $400 million of additional FHA mortgage insurance authorization for mortgages insured by FHA after June 30, 1952, covering defense, military, and disaster housing. Provisions were added to Section 217 of the National Housing Act to permit the recapture of unused authorizations under the various titles of the National Housing Act for use under other titles. As a result, under the amendment, the President was authorized to allocate to Title IX, the defense housing mortgage insurance program, or to other titles, any unused amount of the previous $1½ billion authorization plus any unused parts of the authorizations provided in other titles.

The increase in FHA authorization did not apply to the Title I repair and modernization loan insurance program.

Mortgage Purchase and Commitment Authority Federal National Mortgage Association

The amount of commitments by the Federal National Mortgage Association which can be outstanding to purchase defense and disaster mortgages was increased by $900 million by the Housing Act of 1952. The authority of FNMA to make such advance commitments was extended to June 30, 1953.

Prior to the enactment of the Housing Act of 1952, FNMA was authorized to purchase Government-insured or guaranteed home mortgages if they were insured or guaranteed after April 30, 1948, and if the mortgages met certain other prescribed conditions. The Housing Act of 1952 changed the date of April 30, 1948, to February 29, 1952, with respect to the purchase of mortgages other than defense or disaster mortgages. "Defense or disaster mortgages" were defined by the Housing Act of 1952 as mortgages (*a*) on defense housing programed by the Housing and Home Finance Administrator in a critical defense housing area, or (*b*) with respect to which the FHA has issued a commitment to insure pursuant to Title VIII, the FHA military housing insurance program of the National Housing Act, or (*c*) covering housing intended for victims of a major disaster. Except for defense or disaster mortgages, and except for mortgages for which purchase commitments have been made, the Housing Act of 1952 made ineligible for FNMA purchase any mortgages which were insured or guaranteed prior to March 1, 1952.

The Housing Act of 1952 amended the law governing purchases of mortgages by FNMA to provide that FNMA is restricted from purchasing mortgages from one lender in excess of 50 percent of all mortgages made by that lender which are insured or guaranteed after February 29, 1952. The February 29, 1952, base date was previously April 30, 1948. Provisions of the National Housing Act which expressly exempted certain FHA or GI mortgages from the 50-percent limitation on FNMA purchases from any one lender were changed so that the exemptions from the 50-percent limitation depend on whether the mortgages to be purchased are "defense or disaster mortgages."

Increased Authorizations for Defense Community Facilities and Services and Defense Housing

The Defense Housing and Community Facilities and Services Act of 1951 was amended by the Housing Act of 1952 to increase the authorizations for appropriations for defense housing from $50 million to $100 million and for defense community facilities and services from $60 million to $100 million.

Alaska Housing

The Alaska Housing Act, Public Law 52, 81st Congress, was amended to increase the authorization from $15 million to $20 million for appropriations to the Housing and Home Finance Administrator for the purchase on a revolving basis of bonds of the Alaska Housing Authority. The Alaska Housing Authority utilizes these funds in making loans to public agencies or private nonprofit or limited-dividend or regulated corporations for housing in Alaska. As a last resort, the Authority may provide housing by direct construction.

Federal Housing Aids Extended to Guam

The Laws governing the FHA mortgage insurance program, the Federal Savings and Loan Insurance Corporation, the Federal Home Loan Bank System, the prefabricated housing loan program, and Federal assistance in the provision of sites for isolated defense installations were amended by the Housing Act of 1952 to permit these programs to operate in Guam. As in the case of Alaska, the statutory mortgage limits for FHA mortgage insurance purposes were authorized to be increased by one-half in Guam in order to compensate for high construction costs in that island. The Housing Act of 1952 also permits Federal savings and loan associations to be organized and assisted in Guam.

Farm Housing

The farm housing program authorized by Title V of the Housing Act of 1949 (P. L. 171, 81st Congress) was extended by the Housing Act of 1952 for an additional year, and the financial authorizations for loans and grants and annual contributions to assist farm housing were increased to provide for the additional year's program.

Purchase Authority of Federal Savings and Loan Associations Broadened

Section 5 of the Home Owners' Loan Act of 1933, as amended, which governs loans and the purchase of loans by Federal savings and loan associations was amended by the Housing Act of 1952 to authorize Federal savings and loan associations to purchase loans secured by first liens on improved real estate which are insured by FHA or guaranteed by the Veterans' Administration without regard to the 50-mile-area restriction previously applicable to such purchases.

FHA Mortgage Insurance for State- or Locally-Owned Housing

Section 610 of the National Housing Act was amended by the Housing Act of 1952 by the addition of provisions authorizing FHA to insure mortgages made to finance the sale of multiunit housing projects by States or municipalities or their public agencies where the housing is permanent housing which was constructed by the State or other public body primarily for the occupancy of veterans of World War II and their families. The principal obligation of the mortgage may not exceed either 85 percent of the appraised value of the property or $8,100 per family dwelling unit. Maturities of such mortgages may not exceed 25 years from the date of the FHA insurance.

Removal Date for Certain Temporary World War II Housing Extended

The Lanham Act (P. L. 849, 76th Congress) was amended to permit the President to extend the December 31, 1952, date prescribed in Section 313 of that Act for the removal of a certain limited class of temporary war and veterans housing under the jurisdiction of the Housing and Home Finance Agency. Section 611 of the Lanham Act had previously authorized the President to extend a number of dates by which temporary World War II housing must be vacated and either sold or removed. Section 6 of the Housing Act of 1952 included the December 31, 1952, deadline in Section 313 in the authority contained in Section 611.

Use of Existing Federally Owned Masonry Housing to Meet Defense Needs

Section 5 of the Housing Act of 1952 amended the Defense Housing and Community Facilities and Services Act of 1951 to make it clear that the Housing and Home Finance Administrator may transfer to meet temporary defense needs masonry temporary housing built under the Lanham Act or other similar acts. Authority to transfer other federally owned housing for this purpose already existed.

Additional FHA Amendments

The National Housing Act was amended to permit FHA to apply application fees already paid on account of an application for a Section 608 rental housing project, where the commitment has been issued by FHA, to be credited toward the fees due for a Section 207 application covering the same property or project. This amendment applies where applications have been made to convert a Section 608 commitment to insurance under Section 207 of the Act, which is the regular FHA rental housing mortgage insurance section.

A provision was added to Section 903 of the National Housing Act, as amended, authorizing FHA to convert commitments to insure mortgages under Section 203 of the National Housing Act to commitments for mortgage insurance under Section 908 of the Act. Section 908 authorizes FHA mortgage insurance on rental housing projects programed for critical defense housing areas. The amendment requires, as a condition of eligibility for conversion, that construction of the housing must have begun prior to September 1, 1951. The mortgage must also meet certain other requirements of Section 908. Charges or fees paid with respect to the Section 203 application may be credited to charges or fees due with respect to Section 908.

Cancellation of HHFA Notes to Treasury

Section 9 of the Housing Act of 1952 authorized the Secretary of the Treasury to credit and cancel notes of the Housing and Home Finance Administrator executed and delivered in connection with loans transferred from the Reconstruction Finance Corporation to the Housing and Home Finance Agency pursuant to Reorganization Plan No. 23 of 1950 to the extent of the net loss sustained by HHFA in the liquidation of defaulted loans. The loans transferred from RFC were prefabricated housing loans made by RFC and transferred to HHFA under Reorganization Plan No. 23.

2. Defense Areas Advisory Committee

The Defense Production Act Amendments of 1952, Public Law 429, 82d Congress, approved June 30, 1952, authorized the Director of Defense Mobilization to appoint a Defense Areas Advisory Committee to advise him in connection with determining areas to be critical defense housing areas pursuant to the Housing and Rent Act of 1947, as amended, or the Defense Housing and Community Facilities and Services Act of 1951, as amended. The Committee consists of a Chairman and representatives of the Department of Defense, the Housing and Home Finance Agency, and the Office of Rent Stabilization.

3. Advance Payments on Capital Grants for Urban Redevelopment

Title I of the Housing Act of 1949, which authorized the slum clearance and urban redevelopment program, was amended by Public Law 370, 82d Congress, approved June 3, 1952, to authorize advance or progress payments on account of capital grants to local communities contracted to be made by the Housing Administrator under Title I to assist slum clearance and urban redevelopment.

4. Federal Savings and Loan Insurance Corporation—Insurance of Public and Trust Funds

Public Law 558, 82d Congress, approved July 16, 1952, amended Section 401 (b) of the National Housing Act to authorize the Federal Savings and Loan Insurance Corporation to provide adequate insurance coverage to accounts in savings and loan associations and other insured institutions consisting of public funds and trust funds. Under the provisions of Title IV of the National Housing Act, as amended, the maximum insurance for any one person in one institution is $10,000. Under the provisions of Public Law 558 each trust account in an insured institution is insured separately from any other account in an amount not to exceed $10,000 for each trust estate. Also, under Public Law 558, agents of the United States, the District of Columbia, States, counties, municipalities, or political subdivisions thereof which have official custody of public funds and lawfully invest them in an institution whose accounts are insured by the Federal Savings and Loan Insurance Corporation shall, for the purpose of determining the amount of an insured account, be deemed an insured member in such custodial capacity separate and distinct from any other officer, employee or agent of the same or other public unit lawfully investing official funds in the same insured institution.

5. Limitations on Low-Rent Public Housing

The Independent Offices Appropriation Act, 1953, Public Law 455, 82d Congress, approved July 5, 1952, provided that notwithstanding the provisions of the United States Housing Act of 1937, as amended, the Public Housing Administration shall not authorize the commencement of construction of more than 35,000 low-rent public housing units during the fiscal year 1953. Further, the Act provided that PHA shall not contract to authorize the commencement of construction of more than 35,000 low-rent housing units during any one fiscal year subsequent to fiscal year 1953 unless a greater number of units is hereafter authorized by the Congress.

The Independent Offices Appropriation Act, 1953, also carries the same provision which was contained in the Independent Offices Appropriation Act, 1952, to the effect that the Public Housing Administration shall not authorize the construction of any projects initiated before or after March 1, 1949, in any locality in which such projects have been or may hereafter be rejected by the governing body of the community or by public vote unless the projects have been subsequently approved by the same procedure through which such rejection was expressed.

The Supplemental Appropriation Act, 1953, Public Law 547, 82d Congress, approved July 15, 1952, contains the so-called McDonough amendment. This amendment provides that no part of the appropriation in the Supplemental Appropriation Act for defense housing shall be used for the administrative expenses of PHA or for any other purpose so long as that Agency proceeds with any public housing project after such project has been rejected or previous approval of the project has been canceled by the governing body of the locality by resolution or otherwise or by public vote and the governing body has tendered the United States full reimbursement of Federal funds advanced on the project prior to the cancellation and a release from all obligations incurred under such project.

The Independent Offices Appropriation Act, 1953, also provides (the "Gwinn amendment") that no low-rent public housing unit shall be occupied by a person who is a member of an organization designated as subversive by the Attorney General. The amendment provides further that the prohibition shall be enforced by the local housing authority and that this prohibition shall not affect the obligations of the Public Housing Administration with respect to the making of loans and annual contributions under the United States Housing Act of 1937, as amended. In the conference report (H. Rept. No. 2443) recommending adoption of the amendment as enacted, the conferees stated "it is urged that the Federal Housing Administration and the Veterans' Administration also, insofar as practicable, apply the same principles in the insuring and guaranteeing of loans for the construction and financing of other types of housing".

6. Appropriations

Defense Housing and Community Facilities and Services

The Third Supplemental Appropriation Act, 1952, Public Law 375, 82d Congress, approved June 5, 1952, appropriated to HHFA $12,500,000 for defense housing and $9,375,000 for defense community facilities and services, both appropriations to remain available until expended. The Supplemental Appropriation Act, 1953, Public Law 547, 82d Congress, approved July 15, 1952, appropriated $50,000,000 for defense housing to remain available until expended. The appropriation laws contained the proviso that none of the appropriations shall be used for the construction of any project unless funds are available for the completion of the project.

The Independent Offices Appropriation Act, 1953, Public Law 455, 82d Congress, approved July 5, 1952, provided that $112,500 of the appropriation granted in the Second Supplemental Appropriation Act, 1952 (P. L. 254, 82d Congress) for defense community facilities and services shall be available for administrative expenses in connection with the construction by HHFA of facilities under that appropriation.

The Third Supplemental Appropriation Act, 1952, also appropriated to the Federal Security Agency $4,000,000 for defense community facilities and services to remain available until June 30, 1953.

The Supplemental Appropriation Act, 1953, provided that $50,000 of a previous appropriation to the Federal Security Agency shall be available to that Agency as an additional amount for salaries and expenses in connection with defense community facilities and services. None of these funds shall be obligated after December 31, 1952, except for liquidation of the program.

Alaska Housing

The Third Supplemental Appropriation Act, 1952, appropriated $1,125,000 and the Supplemental Appropriation Act, 1953, appropriated $4,000,000 to the Housing and Home Finance Administrator for Alaska housing. The funds are to remain available until expended.

Capital Grants—Slum Clearance and Urban Redevelopment

The Supplemental Appropriation Act, 1953, appropriated $8,000,000 for advances on capital grants to aid slum clearance and urban redevelopment under Title I of the Housing Act of 1949, as amended by Public Law 370, 82d Congress.

School Aid and Construction

The Supplemental Appropriation Act, 1953, appropriated to the Federal Security Agency $60,000,000 for school construction and $11,570,000 for payments to school districts for maintenance and operation of schools.

The Labor Federal Security Act, 1953, Public Law 452, 82d Congress, approved July 5, 1952, appropriated to the Federal Security Agency $135,000,000 for school construction and $40,000,000 for maintenance and operation of schools. The funds for school construction are to remain available until expended. Of the appropriation in Public Law 452 not more than $750,000 is to be available for technical services rendered by other agencies for school construction.

Disaster Relief

An additional $25,000,000 was appropriated for disaster relief by Public Law 326, 82d Congress, approved April 24, 1952.

HHFA Administrative Expenses

Funds for salaries and administrative expenses of the Housing and Home Finance Agency were provided by the Third Supplemental Appropriation Act, 1952, the Independent Offices Appropriation Act, 1953, and the Supplemental Appropriation Act, 1953.

7. Real Estate Credit Controls

The Defense Production Act Amendments of 1952, Public Law 429, 82d Congress, approved June 30, 1952, extended from June 30, 1952, to June 30, 1953, the authority in the Defense Production Act of 1950 to control real estate credit. The authority to impose consumer credit controls (Regulation W) was revoked. However, the authority to exercise real estate construction credit control (Regulation X and Government-aided housing credit) was limited by the Defense Production Act Amendments of 1952.

Public Law 429 provides that whenever for any consecutive 3 months the annual rate of starts of permanent nonfarm family dwelling units falls below 1.2 million units, the President is to publish in the Federal Register an announcement of the beginning of a period of residential credit control relaxation. Such period shall start by the first day of the second calendar month following the 3 consecutive months during which the annual rate of starts has dropped below 1.2 million. During the relaxation period, credit regulations cannot require more than a 5-percent downpayment on the transaction price of residential property subject to such regulations.

8. Priorities and Allocations

The Defense Production Act Amendments of 1952 continued from June 30, 1952, to June 30, 1953, the authority for priorities and allocations contained in the Defense Production Act of 1950.

9. Veterans Preferences in New Housing

The provision in the Housing and Rent Act of 1947, as amended, for veterans preferences in the rental or purchase of new housing accommodations was continued in effect to April 30, 1953, by the Defense Production Act Amendments of 1952, Public Law 429, 82d Congress, approved June 30, 1952.

10. Rent Control

Under the provisions of the Defense Production Act Amendments of 1952 and the Supplemental Appropriation Act, 1953, Public Law 547, 82d Congress, approved July 15, 1952, national rent control was continued until September 30, 1952. However, rent control is authorized to be continued to April 30, 1953:

(*a*) in areas certified prior to or subsequent to September 30, 1952, as critical defense housing areas pursuant to the Housing and Rent Act of 1947, as amended, and

(*b*) in localities which, at a time when maximum rents are in effect, and prior to September 30, 1952, declare (by resolution of their governing bodies or by popular referendum) that a substantial shortage of housing accommodations exists which requires the continuance of Federal rent control in that locality.

Rent control in the District of Columbia, pursuant to the District of Columbia Emergency Rent Act of 1951, was continued from June 30, 1952, to April 30, 1953, by Public Law 430, 82d Congress, approved June 30, 1952.

11. Rentals for Quarters Supplied to Federal Employees

The Housing and Rent Act of 1947, as amended, was further amended by the Defense Production Act Amendments of 1952 to provide that Federal agencies should, by July 15, 1952, establish and administer rents and service charges for quarters supplied to Federal employees and members of the Uniformed Services furnished quarters on a rental basis in accordance with regulations promulgated by the Bureau of the Budget. In addition, the Supplemental Appropriation Act, 1953, provided that during fiscal year 1953 the provisions of Bureau of the Budget Circular A–45 shall be controlling over the activities of all Federal agencies. The Circular A–45 establishes the principles and standardizes the procedures by which Federal agencies set and administer rents and service charges for quarters supplied to Federal employees, including facilities occupied by members of the Uniformed Services on a rental basis.

12. Emergency Powers Continued

The Emergency Powers Interim Continuation Act, Public Law 313, 82d Congress, approved April 14, 1952, provided that in view of the continuing existence of acute housing needs occasioned by World War II, the emergency declared by the President on September 8, 1939, shall, for the purpose of continuing the use of Lanham Act housing, continue to exist until and including June 1, 1952. The emergency was further continued to June 15, 1952, by Public Law 368, 82d Congress, approved May 28, 1952; to June 30, 1952, by Public Law 393, 82d Congress, approved June 14, 1952; and to July 3, 1952, by Public Law 428, 82d Congress, approved June 30, 1952. Public Law 450, 82d Congress, the Emergency Powers Continuation Act, approved July 3, 1952, provided that the emergency shall continue until 6 months after the termination of the national emergency proclaimed by the President on December 16, 1950, or until such earlier date as may be provided by the Congress, or by the President, but in no event beyond April 1, 1953. These laws also contained provisions to permit veterans of the Korean conflict to be included with other veterans to whom preference in the occupancy of Lanham Act housing is extended.

13. Transfer of the Jeremiah Curtin Home

Public Law 509, 82d Congress, approved July 11, 1952, authorized the Public Housing Administration to transfer the Jeremiah Curtin Home in Milwaukee, Wis., to the Milwaukee County Historical Society for restoration and maintenance by that Society.

14. Robberies of Institutions Whose Accounts Are Insured by FSLIC

Section 2113 of Title 18 of the United States Code is amended by Public Law 301, 82d Congress, approved April 8, 1952, to include in the definition of the term "savings and loan association" any institution whose accounts are insured by the Federal Savings and Loan Insurance Corporation. This amendment has the effect of providing criminal penalties for the commission of robberies and certain other related offenses in connection with banks, building and loan associations, homestead associations, and other institutions, in addition to savings and loan associations, where their accounts are insured by FSLIC.

15. Additional Funds for Direct GI Loans

Provisions were added to the Servicemen's Readjustment Act of 1944, as amended, by Public Law 325, 82d Congress, approved April 18, 1952, making additional funds available to the Veterans' Administration for direct home and farm house loans to eligible veterans under Title III of that Act.

16. GI Home Loan Program Extended to Korean Veterans—Deficiencies in Housing

The Veterans' Readjustment Assistance Act of 1952, Public Law 550, 82d Congress, approved July 16, 1952, amended Title III of the Servicemen's Readjustment Act of 1944, as amended, to provide that the Veterans' Administration guaranteed home loan program for veterans should be available to veterans of the Korean conflict in addition to the veterans previously eligible for such benefits.

Provisions were added to the Servicemen's Readjustment Act to prevent substantial deficiencies in housing financed under its provisions. No loan for the purchase or construction of housing shall be financed under the GI home loan program unless the property meets or exceeds minimum requirements for planning, construction, and general acceptability prescribed by the Veterans' Administrator. The Veterans' Administrator also has the right to refuse to appraise any housing owned, sponsored, or to be constructed by any person identified with housing previously sold to veterans under the GI home loan program as to which substantial deficiencies have been discovered, or as to which there has been a failure or indicated inability to discharge contractual liabilities to veterans, or where veterans have been treated unfairly in the sale of housing.

17. Investigations of Housing

At the direction of the Chairman of the Senate Banking and Currency Committee, the staff of the Committee made a field survey of the operation of Federal housing programs. Three field inspection trips were made to the Atomic Energy Commission plant in the Savannah River area and many other communities were visited. The purpose of the review was "to determine what, if any, changes may be required in legislation or in the administration of the various programs." Preliminary reports on its findings were made in April 1952 by the staff to the Committee.

In February 1952, a roundtable on mortgage financing was conducted by the Senate Banking and Currency Committee. Represented in the roundtable discussion were Government officials, members of the building industry, and representatives of banks, and mortgage and insurance companies. These discussions provided a basis for certain provisions in the Housing Act of 1952.

The House Banking and Currency Committee established the "Rains Subcommittee" pursuant to House Resolution 436. The Committee was authorized to investigate the guaranteeing and insuring of loans by the Housing Agency and the Veterans' Administration. Hearings were held in Washington, D. C., Newark, Hackensack, Bayshore, Jacksonville, Miami, Oklahoma City, Corpus Christi, Detroit, and Dayton.

Pursuant to House Resolution 93 the "Teague Committee," the Select Committee to Investigate, Evaluate and Study Alleged Abuses in Education and Training and Loan Guaranty Programs of World War Veterans, was established. Hearings were held in San Diego and Washington, D. C. In Washington the investigations included investigations of defective housing financed by loans guaranteed by the Veterans' Administration.

A Senate Subcommittee on Labor and Labor-Management Relations held hearings on migratory labor problems, including housing.

Appendix C

PUBLICATIONS OF HHFA

A. Office of the Administrator

Annual Report.—Fifth Annual Report of HHFA covering calendar year 1951. Available from Government Printing Office. Washington 25, D. C. $1.00.

The College Housing Program: The What and Why of Title IV, Housing Act of 1950.—Explains requirements for Federal aid to colleges to provide student and faculty housing. Available from HHFA.

Federal National Mortgage Association: Information Circular Regarding Activities of the Association.—Describes the operations of FNMA as a source of secondary mortgage credit. Available from Government Printing Office, Washington 25, D. C. 10¢

Government Guaranteed Real Estate Mortgage Loans Available for Sale.—A semiannual listing by the Federal National Mortgage Association of mortgage holdings available for sale. Available from HHFA.

Semi-Annual Report of the Federal National Mortgage Association.—Summaries of activities of FNMA issued semiannually. Available from HHFA.

A Guide to Federal Aids for Housing and Community Facilities for Critical Defense Housing Areas.—Outlines Federal assistance available to builders in providing housing programed for critical defense housing areas and to communities in providing essential community facilities necessitated by defense activities in such areas. Available from Government Printing Office, Washington 25, D. C. 10¢

Housing and Home Finance Agency—Its Organization and Functions.—The organization of housing agencies in HHFA and their respective functions. Available from HHFA.

Housing for the Aged: Selected References.—Reference list on housing for the aged. Available from HHFA.

Housing of the Nonwhite Population—1940 to 1950.—Analysis of housing conditions of the nonwhite population as revealed by the Censuses of Housing for 1940–1950 and changes in these conditions. Available from Government Printing Office, Washington 25, D. C. 25¢

Housing Statistics.—A monthly publication of statistics relevant to housing. Available from HHFA.

How Our Older Families Are Housed.—Analysis of housing occupied by older families as revealed by the 1950 Census of Housing. Available from HHFA.

The 1950 Housing Situation in Charts: Based on Preliminary Results of the 1950 Census of Housing.—Series of charts and brief descriptive matter on the housing available to the American people based on the 1950 Census of Housing. Available from Government Printing Office, Washington 25, D. C. 25¢

Relocatable Defense Housing.—Description and diagrammatic drawings of relocatable housing proposed for the defense housing operation. Available from Government Printing Office, Washington 25, D. C. 25¢

Selected Publications on House Planning, Construction, Maintenance and Repair.—A short list of selected publications. Available from HHFA.

Summaries of Local Redevelopment Programs, Series II.—Summaries of urban redevelopment programs being undertaken by eight localities. Available from HHFA.

Construction Aid Series.—Publications directed toward more economical building. Available from Government Printing Office, Washington 25, D. C. at the prices indicated.

No. 1. Plumbing Fixture Arrangement. 15¢
No. 2. Roof Gutters. 10¢
No. 3. House and Site United. 15¢

Housing Research.—A quarterly publication of HHFA in which results of research activities are reported. Single copies available from Government Printing Office, Washington 25, D. C. 30¢.

Winter—1951–52:
- Metals Saving Trends in Domestic Heating.
- Home Financing 1949–51—Changes Under Credit Controls.
- How Our Aged Families Are Housed.
- Results of a Survey of Housing Research.
- Regional Patterns of Materials Used in New Houses.
- Prevention of Cold Weather Roof Leaks.
- Lag in the Use of Residential Building Permits.
- HHFA Housing Research Publications.

Spring—1952:
- How Important Are Conversions in the Current Housing Scene?
- Trailer Coach Industry Survey for the Year 1950.
- An Outline for Research on Building Regulations.
- Will Science Plan the Home of Tomorrow?
- Development of National Plumbing Code.
- Snow Load Studies.
- Housing Research Publications.

October—1952:
- Why People Buy the Houses They Do.
- National and Local Mortgage Market Structures.
- Durability of Moisture-Resistant Membrane Materials in Contact with the Ground.
- Regional Design Characteristics of New Houses.
- Application of Large Modules of Industrialized Housing.
- Food Waste Disposal Units.
- HHFA Housing Research Publications.

Housing Research Papers.—(Available from Government Printing Office. Washington 25, D. C., at the prices indicated).

No. 19. Snow Load Studies. Investigation of snow loads and required roof strengths. 20¢.

No. 20. The San Francisco Bay Area Residential Mortgage Market. One of three studies undertaken of mortgage markets. 25¢

No. 22. Closing Costs and Settlement Payments in the Jacksonville, Florida, Mortgage Market, February 15–August 15, 1950. A study of one cost item in the purchase of a home. 20¢

Housing Research Reprint Series.—(Reprints). Articles previously published in Technical Bulletins now out of print. Available from Government Printing Office, Washington 25, D. C., at the prices indicated.

No. 14. Prevention of Cold Weather Roof Leaks. Analyzes roof leaks caused by cold weather and recommends building practices to avoid them. 10¢.

Practices and Precepts of Marketing Prefabricated Houses.—Analysis and summary of marketing patterns and practices in the sale of prefabricated houses. Available from Government Printing Office, Washington 25, D. C. 35¢.

Recommended Standards for Trailer Courts.—Analysis of requirements for trailer courts and recommendations of suitable installations. Available from Government Printing Office, Washington 25, D. C. 15¢.

Record Keeping for the Small Home Builder.—Bookkeeping suggestions and appropriate forms to assist builders of small homes to keep accurate checks on financial aspects of their operations. Available from Government Printing Office, Washington 25, D. C. $1.25.

Suggested Land Subdivision Regulations.—Suggestions to aid communities to assure orderly subdivision. Available from Government Printing Office, Washington 25, D. C. 45¢.

A Survey of Housing Research in the United States.—A compilation of research being undertaken and research facilities available in educational institutions, foundations and nonprofit research agencies, trade associations and professional societies, and commercial laboratories. Available from Government Printing Office, Washington 25, D. C. $3.00.

B. Home Loan Bank Board

Final Report to the Congress of the United States Relating to the Home Owners' Loan Corporation.—Available from the Home Loan Bank Board.

Home Loan Bank Board—Outline of Functions.—Summarizes the operations of HLBB. Available from the Home Loan Bank Board.

Savings and Home Financing Source Book, 1952.—(Formerly published as the Statistical Summary. Provides tabular data on savings and home financing.) Available from the Home Loan Bank Board.

Summary of Operations for 1952.—Covers Federal Home Loan Bank System, Federal Savings and Loan System, Federal Savings and Loan Insurance Corporation, and the Home Owners' Loan Corporation (liquidated). Available from the Home Loan Bank Board.

Combined Financial Statement of Members of the Federal Home Loan Bank System.—(Including combined statement of institutions insured by the Federal Savings and Loan Insurance Corporation) as of December 31, 1951. Available from the Home Loan Bank Board.

Answers to Questions About Insurance of Savings.—Revised 1952. Available from the Home Loan Bank Board.

C. Federal Housing Administration

The following are the principal new or revised FHA publications issued in 1952. Unless otherwise indicated, they can be obtained, without charge, from the Federal Housing Administration, Washington 25, D. C.

Administrative Rules and Regulations under Section 8 of the National Housing Act.—FHA Form No. 2000, reprinted September 1952, to include all amendments through September 4, 1952.

Administrative Rules and Regulations under Section 203 of the National Housing Act.—FHA Form No. 2010, revised January 30, 1952.

Administrative Rules and Regulations under Section 207 of the National Housing Act.—FHA Form No. 2012, reprinted May 1, 1952, to include all amendments through May 1, 1952.

Annual Report.—Eighteenth annual report of the Federal Housing Administration; year ending December 31, 1951. Government Printing Office, Washington 25, D. C. 45 cents.

Federal Housing Administration Digest of Insurable Loans.—Revised October 1952.

FHA Homes in Standard Metropolitan Areas, 1950.—A series of six booklets each of which contains data for the Standard Metropolitan Areas in one or two of the nine Geographic Divisions defined by the Bureau of the Census in 1950. Issued in 1952.

FHA Underwriting Manual.—FHA Form No. 2049, revised January 1952. Government Printing Office, Washington 25, D. C. $2.25.

Insured Mortgage Portfolio (issued quarterly).—Vol. 16, Nos. 3 and 4; Vol. 17, Nos. 1 and 2. Government Printing Office, Washington 25, D. C. Single copy 15 cents, annual subscription 50 cents.

Minimum Requirements for Title I Insured Mortgages under Section 8 of the National Housing Act.—FH Form No. 810, revised September 1952.

Mortgagees' Handbook.—FHA Form No. 2534, revised July 1952.

Oklahoma Cooperative Housing Story, The.—Issued January 1952.

Planning Cooperative Housing Projects.—Issued July 1952.

Property Improvement Loans under Title I of the National Housing Act, Regulations Governing Class 1 and 2 Loans.—FH-20, revised April 1, 1952, including all amendments to March 24, 1952.

Settlement of Claims under Title I of the National Housing Act (Tables for Use in the Computation of Claims).—FH-33, revised 1952.

D. Public Housing Administration

Unless otherwise indicated, these publications may be obtained, without charge, from the Public Housing Administration, Washington 25, D. C.

Annual Report.—Fifth annual report of the Public Housing Administration, covering calendar year 1951.

Bibliography on Housing and Health.—Revised, 1952.

Bibliography on Public Housing and Related Subjects for the Use of Teachers and Students.—Revised, 1952.

Bibliography on Rammed Earth Construction.—Revised, 1952.

The Low-Rent Public Housing Program—What It Is and How It Works.—A brief description of the purpose of low-rent housing and how low-rent housing operates in a community.

Reference and Source Material on (I) Housing and Housing Needs, (II) Economic and Social Costs of Good and Bad Housing, (III) Who Pays for Public Housing.—Excerpts and references. Revised, 1952.

Suggested References on Greenbelt Towns.—Revised, 1952.

What and Why—Public Low-Rent Housing.—A brief description of the low-rent housing program. Available from Government Printing Office, Washington 25, D. C. 5¢ per copy, $2.00 for 100 copies.

PART II

of the

Sixth Annual Report

HOUSING AND HOME FINANCE AGENCY

Covering the Activities of the

HOME LOAN BANK BOARD

MARCH 20, 1953.

TRANSMITTAL

The Honorable
The Speaker of the House of Representatives
Washington, D. C.

SIR:

Pursuant to Section 20 of the Federal Home Loan Bank Act, we are pleased to submit the Annual Report of the Home Loan Bank Board, covering the operations of the Federal Home Loan Bank System, the Federal Savings and Loan Insurance Corporation, and the Federal Savings and Loan System for the calendar year 1952.

Respectfully,

WILLIAM K. DIVERS,
Chairman,
J. ALSTON ADAMS,
Member,
KENNETH G. HEISLER,
Member,
Home Loan Bank Board.

Section 1

HOME LOAN BANK BOARD

Twentieth Anniversary

July 22, 1952, marked the twentieth anniversary of the creation of the Home Loan Bank Board. Established during a period of economic distress, the Board was charged with the responsibility (1) for putting into operation a sound system of private financial institutions equipped to meet the thrift and home-financing needs of the average American family, (2) for equalizing the distribution of home mortgage funds throughout the country, (3) for promoting sound lending practices, and (4) for enhancing small home ownership.

To accomplish these objectives the Board was charged with the regulation and supervision of the Federal Home Loan Bank System, the chartering and supervising of Federal savings and loan associations, and the operation of the Federal Savings and Loan Insurance Corporation and the Home Owners' Loan Corporation.

The final liquidation in March 1951 of the Home Owners' Loan Corporation concluded the greater part of the Board's original *emergency responsibility*. But the Board, through the remaining permanent agencies, continues to fulfill its *long-range* objectives.

The confidence in and public acceptance of the Home Loan Bank Board and its agencies by the American people is demonstrated by the accomplishments that have been made toward meeting the responsibilities assigned by the Congress in 1932 and additional duties adopted by succeeding Congresses. After twenty years of operation, which included depression, wartime, and recovery conditions, the Board and its agencies are firmly established as an integral part of the Nation's system of home financing and saving. Evidence of this acceptance is found in the reports of these agencies which follow and in which new highs were recorded in membership, assets, insurance coverage, savings, and lending activities during the calendar year 1952.

Federal Savings and Loan Advisory Council

The Federal Savings and Loan Advisory Council is an independent, nonpartisan body. Created by the Congress in 1935, the Council is authorized to confer with the Home Loan Bank Board on general business conditions and special conditions affecting the Federal Home Loan Banks, their member institutions, and the Federal Savings and Loan Insurance Corporation. It is also empowered to request information and to make recommendations on subjects within the jurisdiction of the Home Loan Bank Board.

The Council consists of 1 member elected by each of the 11 boards of directors of the Federal Home Loan Banks and 6 members appointed by the Home Loan Bank Board. Included among the Board appointees are representatives of the national trade organizations and the National Association of State Savings and Loan Supervisors.

During the calendar year 1952 the Council held two meetings in Washington, on May 5–6 and on December 1–2. The following members of the Council served during 1952:

Advisory Council Members Appointed by Home Loan Bank Board

R. A. Benson, president, National Association of State Savings and Loan Supervisors, Austin, Tex.

[1] Ben H. Hazen, president, United States Savings and Loan League, Portland, Oreg.

Earl C. Weber, president, National Savings and Loan League, Chicago, Ill.

PITTSBURGH:
Ernest T. Trigg, Malvern, Pa.

GREENSBORO:
J. Grayson Luttrell, executive vice president, McCormick & Co., Inc., Baltimore, Md.

INDIANAPOLIS:
E. Kirk McKinney, president, Jefferson National Life Insurance Co., Indianapolis, Ind.

Advisory Council Members Elected by Federal Home Loan Banks

BOSTON:
Frederick T. Backstrom, executive vice president, First Federal Savings and Loan Association of New Haven, New Haven, Conn.

NEW YORK:
Arthur F. Smethurst, president, Bradford Savings and Loan Association, Newark, N. J.

PITTSBURGH:
Francis E. McGill, president, Roxborough-Manayunk Federal Savings and Loan Association, Philadelphia, Pa.

GREENSBORO:
Frank Muller, Jr., president, Liberty Federal Savings and Loan Association, Baltimore, Md.

CINCINNATI:
J. C. Mindermann, secretary, General Building, Savings and Loan Association, Inc., of Covington, Ky., Covington, Ky.

INDIANAPOLIS:
Walter Gehrke, president, First Federal Savings and Loan Association of Detroit, Detroit, Mich.

CHICAGO:
[2] Ben F. Bohac, president, Talman Federal Savings and Loan Association of Chicago, Chicago, Ill.

DES MOINES:
C. R. Mitchell, executive vice president, First Federal Savings and Loan Association of Kansas City, Kansas City, Mo.

LITTLE ROCK:
Albert J. Emke, president, Hibernia Homestead Association, New Orleans, La.

TOPEKA:
Louis W. Grant, president, Home Federal Savings and Loan Association of Tulsa, Tulsa, Okla.

SAN FRANCISCO:
R. Floyd Hewitt, president, Provident Federal Savings and Loan Association, Boise, Idaho.

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[1] ALTERNATE AT DECEMBER MEETING FOR MR. HAZEN: C. L. Clements, president, Chase Federal Savings and Loan Association, Miami Beach, Fla.

[2] ALTERNATE AT DECEMBER MEETING FOR MR. BOHAC: Edward L. Johnson, vice president, Bell Savings and Loan Association, Chicago, Ill.

Legislative Activity

S. 1212, 82d Congress (P. L. 301), which was approved on April 8, 1952, contains a technical and clarifying amendment to the "Federal Bank Robbery Act" which applies the extended coverage of the Federal Robbery Statute to all institutions whose accounts are insured by the Federal Savings and Loan Insurance Corporation and not just to those institutions which use the words "savings and loan" in their corporate names.

H. R. 2608, 82d Congress (P. L. 337), which was approved May 13, 1952, authorized investment of Federal Credit Union funds in State-chartered associations whose accounts are insured by the Federal Savings and Loan Insurance Corporation. Federal savings and loan associations already were permitted to receive such investments.

S. 3066, 82d Congress (P. L. 531), which was approved July 14, 1952, and is known as the "Housing Act of 1952," provides, among other things, for the extension of Federal housing laws to Guam. On August 1, 1950, when Guam became "an unincorporated territory with its own civilian government," natives of Guam were made American citizens. However, many of the laws of the United States applicable to the States and other territories are not applicable to Guam. Section 10 of Public Law 531, in addition to other provisions, (1) extends the provisions of the National Housing Act, permitting the Federal Savings and Loan Insurance Corporation to extend its program to the territory, (2) amends the Home Owners' Loan Act to permit Federal savings and loan associations to be organized and assisted in Guam, and (3) permits the Federal Home Loan Bank System to operate in Guam.

Section 12 of Public Law 531 amended Section 5 of the Home Owners' Loan Act so as to authorize Federal savings and loan associations to purchase loans secured by first liens on improved real estate which are insured by the FHA or guaranteed by the VA without regard to the 50-mile restriction applicable to such purchases.

H. R. 3177, 82d Congress (P. L. 558), which was approved July 16, 1952, amended Section 401 (b) of the National Housing Act so as to provide that each trust account in an insured institution will be insured separately from any other account in an amount not to exceed $10,000 for each trust estate, and that the accounts of different officials of the same public unit are separately insured for $10,000.

Status of Corporations in Liquidation

United States Housing Corporation—Formal dissolution and termination of the USHC was effected as of September 8, 1952. Organized during World War I to provide housing in areas where defense activities had created shortages of accommodations for war workers, the Corporation was directed, by the Act of May 16, 1918, to "wind up its affairs and dissolve" as soon as it had disposed of its property and performed the duties and obligations set forth in the statute.

On February 24, 1942, under Executive Order No. 9070, all the powers, duties, and functions with respect to the USHC were transferred to the Home Loan Bank Board. By the close of the fiscal year 1945 all the Corporation's properties had been sold, its assets and known claims had been liquidated, and the money derived from the liquidation of these assets covered into the United States Treasury. The final report to Congress of the liquidation of the Corporation under its jurisdiction was transmitted by the Board on January 15, 1947. Formal dissolution of the Corporation was delayed because of one minor lawsuit. With the disposition of this lawsuit, the corporate existence of the United States Housing Corporation was terminated on September 8, 1952.

Home Owners' Loan Corporation—Created June 13, 1933, as a temporary emergency relief agency, the HOLC was directed by the Congress to begin liquidation as soon as its purposes had been accomplished.

During the calendar year 1951 the Corporation "went out of business" as a mortgage holding agency of the Government, its assets having been disposed of, its capital stock retired, its bond issues called or matured, and its bonds redeemed. In accordance with Section 20 of the Federal Home Loan Bank Act, a final report of the operations and liquidation of the Corporation was submitted by the Board on March 1, 1952, to the Congress of the United States. Consideration is now being given a proposed draft of legislation to dissolve the corporate existence of the Home Owners' Loan Corporation.

Expenses of the Board

The Home Loan Bank Board is entirely self-supporting and receives no appropriated funds from the Federal Treasury. Its administrative expenses, which are subject to an annual limitation set by the Congress, are paid from assessments made on the Federal Home Loan Banks, the Federal Savings and Loan Insurance Corporation, and the Examining Division. Nonadministrative expenses of the Board are paid from fees charged for making examinations and from reimbursements for services performed for others.

It is the policy of the Board to continuously reduce, where possible, the expenses of the Board and its agencies. Such reductions have been made through streamlining of procedures and other refinements consistent with efficiency, economy, and prudent management. This has been accomplished despite a constantly increasing workload resulting from the tremendous growth in the savings and loan business which is reflected in both the number and size of the institutions supervised by the Board.

In 1945, administrative expenses of the Board with its 176 employees were nearly $823,000. Expressed in relation to members' assets, the cost was about $103 per million dollars of such assets. Seven years later the number of Board employees had declined to 124 and administrative expenses were just under $759,000. Although members' assets reached an all-time high during 1952, the comparable cost ratio was only $38.

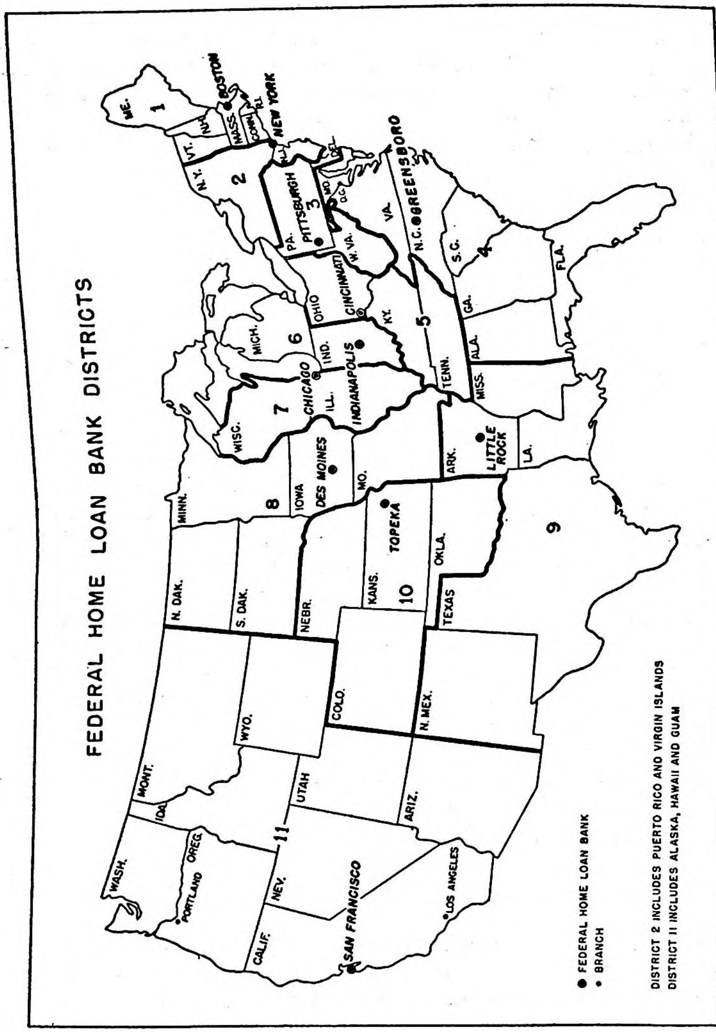
FEDERAL HOME LOAN BANK DISTRICTS
● FEDERAL HOME LOAN BANK
• BRANCH
DISTRICT 2 INCLUDES PUERTO RICO AND VIRGIN ISLANDS
DISTRICT 11 INCLUDES ALASKA, HAWAII AND GUAM
1
2
3
4
5
6
7
8
9
10
11
ME.
N.H.
VT.
MASS.
BOSTON
R.I.
CONN.
NEW YORK
N.Y.
N.J.
DEL.
MD.
D.C.
PA.
PITTSBURGH
W. VA.
VA.
N.C.
GREENSBORO
S.C.
GA.
FLA.
ALA.
MISS.
TENN.
KY.
OHIO
CINCINNATI
IND.
INDIANAPOLIS
MICH.
ILL.
CHICAGO
WISC.
MINN.
IOWA
DES MOINES
MO.
ARK.
LITTLE ROCK
LA.
OKLA.
TEXAS
KANS.
TOPEKA
NEBR.
S. DAK.
N. DAK.
MONT.
WYO.
COLO.
N. MEX.
ARIZ.
UTAH
IDA.
WASH.
OREG.
PORTLAND
NEV.
CALIF.
SAN FRANCISCO
LOS ANGELES

CHART 1.

Section 2

FEDERAL HOME LOAN BANK SYSTEM

Origin and Purpose

The Federal Home Loan Banks which were created by an Act of the Congress, approved July 22, 1932, to serve as reserve banks for eligible home-financing institutions, opened for business on October 15, 1932. As indicated in previous annual reports, building and loan associations, savings and loan associations, homestead associations, co-operative banks, savings banks, and insurance companies are eligible for membership in the Bank System, provided the character of their management and their home-financing policies are consistent with sound and economical home financing.

Growth in Membership

During the calendar year 1952 the number of members of the Federal Home Loan Bank System reached a new all-time peak. As of December 31, 1952, there were 4,056 members with estimated assets of $21,871,000,000 as follows:

Type of member	Number	Assets
Savings and loan associations and similar institutions:		
Insured by Federal Savings and Loan Insurance Corporation:		
Federally chartered	1,581	$11,762,000,000
State-chartered	1,591	7,894,000,000
Other State-chartered	856	1,690,000,000
Subtotal	4,028	21,346,000,000
Savings banks	23	431,000,000
Insurance companies	5	94,000,000
Totals	4,056	21,871,000,000

Lending Operations of the Federal Home Loan Banks

With repayments exceeding new advances during each of the first four calendar months of 1952 to the extent of $224,869,833, advances outstanding dropped from $805,936,767 on December 31, 1951, to $581,066,934 on April 30, 1952, the lowest month-end figure since July 31, 1950. However, the trend was reversed in May and the balance of advances outstanding increased each month thereafter, resulting in an all-time peak of $864,188,531 on December 31, 1952. A summary of lending operations of the Banks is set forth in table 1 of this report from which it will be observed that advances during the calendar year

NUMBER AND ASSETS OF MEMBER INSTITUTIONS

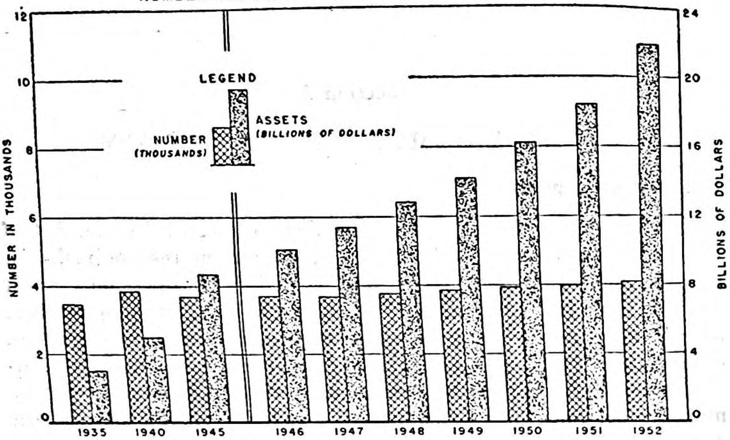

CHART 2.

1952 aggregated $585,813,272 while repayments totaled $527,561,508. The following tabulation reflects the number of borrowers by types and the amount of advances outstanding to each group on December 31, 1952:

Type of institution	Borrowers		Advances outstanding	
	Number	Percent	Amount	Percent
Savings and loan associations and similar institutions:				
Insured by Federal Savings and Loan Insurance Corporation:				
Federally chartered	849	41.27	$534,374,670	61.84
State-chartered	796	38.70	282,176,472	32.65
Other State-chartered [1]	411	19.98	42,995,014	4.97
Subtotals	2,056	99.95	$859,546,156	99.46
Insurance company	1	.05	4,642,375	.54
Totals	2,057	100.00	$864,188,531	100.00

[1] Includes 1 nonmember borrower with advance of $37,500.

Secured advances outstanding to 1,358 borrowing institutions on December 31, 1952, established a new high of $633,645,902 and represented 73.3 percent of the total advances outstanding. On December 31, 1951, there were 1,480 borrowers holding $596,622,190 of such advances representing 74 percent of the total outstanding on that date. Of the total secured advances outstanding on December 31, 1952, $334,063,780 or 52.7 percent were made for terms of 1 year or less, while $299,582,122 or 47.3 percent represented amortized loans for terms of more than 1 year on which installments of $37,917,675 were payable within 1 year. The 1,358 borrowers on a secured basis had deposited with the Federal Home Loan Banks as collateral security 207,379 home mortgages with unpaid balances aggregating $1,126,894,-441, U. S. Government obligations having a par value of $131,846,500, and other eligible collateral having a face value of $2,020,000. The face value of all such collateral amounted to $1,260,760,941, or 199 percent of the $633,645,902 advances secured thereby. To this collateral, the Banks had assigned, within the statutory limitations, a value of $911,641,748. In addition, each Bank held a statutory lien on its capital stock owned by each member-borrower, irrespective of whether such borrowing was on a secured or an unsecured basis. On December 31, 1952, the member-borrowers owned $183,994,500 par value of Federal Home Loan Bank stock.

Unsecured advances outstanding on December 31, 1952, amounted to $230,542,629 or 26.7 per cent of the total advances outstanding on that date. These advances were held by 955 member institutions.

Irrespective of the high dollar amount of advances outstanding as of various dates, it will be noted from the following chart that such total at no time exceeded 5 percent of the combined assets of the member institutions.

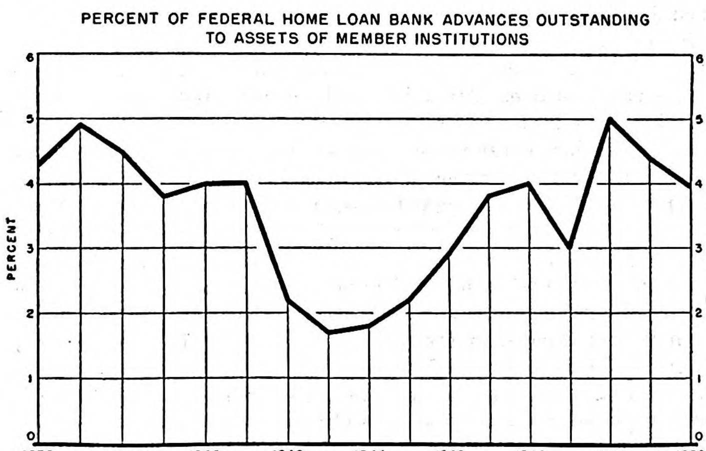

CHART 3.

Credit Restrictions

As a result of a recommendation by the Federal Savings and Loan Advisory Council in December 1951, the Home Loan Bank Board, in a memorandum addressed to all Federal Home Loan Banks under date of February 20, 1952, reviewed the circumstances under which the Banks, upon request of the Board in July 1950, imposed certain credit restrictions on advances for loan expansion purposes and stated in part:

> Without in any way indicating that the dangers of inflation are past, we are quite willing to follow the recommendation of the Advisory Council to permit the Banks to remove their general restrictions on Federal Home Loan Bank credit for expansion purposes and to authorize the individual Federal Home Loan Banks to fix such credit restrictions for their respective districts as they may deem necessary. In the event a Federal Home Loan Bank revises the above referred to credit restrictions, it should not, of course, be construed as an open invitation to its member institutions to come to the Bank for advances for loan commitments or loan expansion purposes.

As a result of the memorandum referred to, the Boards of Directors of ten of the Banks, at various dates from February 28, 1952, to November 23, 1952, removed or modified the credit restrictions imposed by them in 1950. The Board of Directors of the remaining Bank voted to continue its restrictions, limiting advances for loan expansion purposes to 15 percent of a member's share and deposit liability.

Delinquent Advances

With the exception of advances totaling $6,300,000 and interest thereon totaling $605,664 represented by notes due from the Long Beach Federal Savings and Loan Association, Long Beach, Calif., to the Federal Home Loan Bank of San Francisco, none of the $864,188,531 of advances outstanding on December 31, 1952, was more than 30 days past due. An action has been instituted by the Federal Home Loan Bank of San Francisco to recover the amount due from the Long Beach Federal Savings and Loan Association, which association is withholding payment because of claims made by it in two suits, now joined, one arising out of the merger of the Federal Home Loan Bank of Los Angeles with the Federal Home Loan Bank of Portland under the name of the Federal Home Loan Bank of San Francisco, and the other out of the appointment of a conservator for the Long Beach Federal Savings and Loan Association. Both of said suits have been decided adversely to the Long Beach Federal Savings and Loan Association by the United States Court of Appeals for the Ninth Circuit. Petitions for certiorari filed by the Association and others were denied by the Supreme Court of the United States on May 4, 1953. In view of these court decisions, it is the opinion of the Bank's Counsel, the General Counsel for the Home Loan Bank Board, and the Department of Justice attorneys assigned to the case that the attempted defenses raised by the Long Beach Association, which are identical with the matters raised in the two suits decided adversely to it, have no validity and that the Bank will recover judgment for the amount due.

Interest Rates on Advances

Within a maximum limit prescribed by the Home Loan Bank Board, each Federal Home Loan Bank is authorized to establish interest rates on its advances. At the present time such rate cannot exceed 4 percent per annum. During the calendar year 1952 three Banks increased by one-fourth of 1 percent per annum their collectible rate of interest charged on advances to member institutions. Table 2 of this report reflects the interest rates charged by each Bank on January 1, 1953, on new advances to their respective members.

Interest rates on advances made to nonmember mortgagees under the provisions of Section 10b of the Federal Home Loan Bank Act, as amended, must be at least one-half of 1 percent but not more than 1 percent higher than the rates of interest charged members on advances of like character.

Investment Securities

Obligations of the United States and consolidated Federal Home Loan Bank obligations were purchased during the calendar year 1952 at an approximate cost of $858,450,000 while proceeds from sales and maturities of such securities approximated $799,600,000. At the close of 1952, the Banks owned direct obligations of the United States having a face or maturity value of $310,607,500 and a book value of $310,937,012.

Consolidated Federal Home Loan Bank Obligations

During the calendar year 1952, 6 issues of consolidated Federal Home Loan Bank notes aggregating $548,550,000 were sold to the public, while 8 issues totaling $629,500,000 were retired. At the close of 1952, 5 issues were outstanding in the total amount of $448,550,000, including $3,500,000 of 4 issues which had been purchased in the open market and were owned by 2 of the Banks.

From April 1, 1937, the date of the first issue, through December 31, 1952, consolidated Federal Home Loan Bank obligations had been issued in the total amount of $3,995,750,000, and $3,547,200,000 had been retired. The following tabulation reflects the details of the unmatured series of such obligations as of December 31, 1952:

Series	Dated	Rate	Maturity	Amount
A-1953	May 15, 1952	2	Feb. 16, 1953	$75,400,000
B-1953	June 13, 1952	2	do	66,650,000
C-1953	Aug. 15, 1952	2.30	Apr. 15, 1953	76,500,000
D-1953	Nov. 17, 1952	2.20	May 15, 1953	90,000,000
E-1953	do	2.30	Aug. 17, 1953	140,000,000
Total				448,550,000

Although the Secretary of the Treasury is authorized by law to purchase obligations of the Banks to a total not exceeding $1 billion outstanding at any one time, no request for any such purchase has as yet been made.

Deposits of Members

Deposits of member institutions in the Federal Home Loan Banks on December 31, 1952, reached a new peak of $419,661,116 and represented an increase of $158,425,336 over the total at the end of the preceding year. Demand deposits on which no interest is paid, accounted for $67,055,922 of the total deposits outstanding, while $352,605,194 represented time deposits bearing interest at rates ranging from 1 percent to 2 percent per annum. Table 2 of this report reflects the rates of interest paid by each Bank on January 1, 1953, on the time deposits of their respective members.

As in the case of interest on advances, the Boards of Directors of the Federal Home Loan Banks may establish the interest rates paid by them on members' time deposits within a maximum specified by the Home Loan Bank Board. The maximum rate during 1952 remained at 2 percent per annum.

Interbank Deposits

Deposits made by Federal Home Loan Banks with other Federal Home Loan Banks temporarily in need of additional funds, totaled $29,991,000 during 1952. These deposits, together with a balance of $1,500,000 outstanding on December 31, 1951, were repaid during the year, leaving no balance at the close of 1952.

These interbank deposits bear interest at rates established by the Home Loan Bank Board. Such rates usually change on the day following the issuance or the maturity of a series of consolidated Federal Home Loan Bank obligations, and the average annual cost of such obligations then outstanding is usually considered in determining the new interbank interest rate to be charged.

Capital Stock of the Federal Home Loan Banks

The Federal Home Loan Bank Act, as amended, requires each member to own stock in the Bank of which it is a member in an amount of not less than 2 percent of the aggregate of the unpaid principal amount of such member's home mortgage loans and similar obligations, but in no event less than $500. Capital stock thus acquired may be utilized by a borrowing member in meeting the further requirement of the Bank Act that such member must at all times own stock in its Federal Home Loan Bank in an amount equal to at least one-twelfth of the principal amount of advances it owes such Bank.

Capital Structure of the Federal Home Loan Banks

The year 1952 marked the first full year of complete ownership of the Banks' stock by their member institutions, the U. S. Government's original investment of $124,741,000 in the capital stock of the Banks having been completely paid off and retired by July 2, 1951, and dividends of $26,176,171 having been paid to the Government on such investment. During 1952 the member institutions increased their holdings in the capital stock of the Banks by $44,836,200, resulting in a total outstanding capital stock of all Banks on December 31, 1952, of $315,487,900.

The following tabulation reflects the capital structure of the Banks as of the close of 1952 and 1951 and the changes during the calendar year 1952:

	Dollar amounts in thousands		
	December 31		Increase for 1952
	1952	1951	
Capital stock:			
Subscribed by members	$315,687	$271,375	$44,312
Less:			
Unpaid subscriptions	199	723	524
Total paid-in capital	315,488	270,652	44,836
Surplus:			
Legal reserve	17,461	15,736	1,725
Reserve for contingencies	4,831	5,510	[1] 679
Undivided profits	12,121	10,581	1,540
Total surplus	34,413	31,827	2,586
Total capital	349,901	302,479	47,422

[1] Indicates a decrease.

Legal Reserve

Each Federal Home Loan Bank is required by Section 16 of the Federal Home Loan Bank Act to transfer 20 percent of its net earnings to a reserve account semiannually until such reserve is equal to the Bank's paid-in capital, after which 5 percent of the net earnings must be so transferred. During the calendar year 1952 the eleven Federal Home Loan Banks transferred a total of $1,725,015 to this reserve, resulting in a balance therein of $17,460,692 on December 31, 1952.

The legal reserve of each Bank is invested in direct obligations of the United States.

Liquidity Requirements

Section 11 (g) of the Federal Home Loan Bank Act, as amended, requires that each Federal Home Loan Bank shall at all times have at least an amount equal to the current deposits received from its members invested in obligations of the United States, deposits in banks or trust companies, and in advances with a maturity of 1 year or less. In order to insure greater liquidity for the purpose of meeting the cash requirements of their members, each Federal Home Loan Bank is required to participate in an overall "liquidity reserve" of $100,000,000 in the proportion its paid-in capital bears to the total paid-in capital of all Banks. This "reserve" consists of cash and specified U. S. Treasury obligations.

In addition, each Bank is required to maintain a "reserve" equal to 25 percent of its deposits from members which also consists of cash and specified U. S. Treasury obligations.

The United States Treasury obligations apportioned to the total "liquidity reserve" referred to in the two immediately preceding paragraphs, must be in addition to the reserve required by Section 16 of the Act. Such obligations, however, may be used in reflecting compliance with provisions of Section 11 (g) of the Act, previously referred to.

Liquidity of Members

No member insurance company of a Federal Home Loan Bank may make or purchase any loan other than policy loans, at any time when the aggregate of its cash and obligations of the United States is not at least equal to 6 percent of its policy reserve required by State law. No other member may make or purchase any loan, other than advances on the sole security of its withdrawable accounts, when its cash and obligations of the United States are not at least equal to 6 percent of the obligation of the member on withdrawable accounts. The average liquidity of member savings and loan associations, based on the foregoing requirement, was approximately 16.1 percent on December 31, 1952, as compared to 16.8 percent a year previous.

Comparative Balance Sheet

A comparative consolidated statement of condition of the 11 Federal Home Loan Banks as of December 31, 1952, and December 31, 1951, is set forth in table 3 of this report. It will be noted that the total assets of the Banks as of the end of 1952 aggregated $1,221,702,000, an all-time peak.

Income and Expense

A comparative consolidated statement of income and expense of the Banks for the calendar years 1952 and 1951 is presented in table 4. The 1952 operating income of $24,067,601 shown in the table represented a 9.5 percent increase over the 1951 amount of $21,974,713. It will also be noted that interest on advances during 1952 was slightly less than the 1951 figure. This was due to a decline in the average amount of advances outstanding which was partially offset by a higher interest rate on some advances and by slight upward adjustments by three of the Banks in their collectible rates of interest. During 1952 the monthly average of advances outstanding of $689,432,200 gave the Banks an average yield of 2.47 percent thereon as compared to the 1951 average of $772,385,500 at a yield of 2.21 percent. The interest on investment securities during 1952 of $7,036,211 represented an increase of 44.2 percent over the 1951 total of $4,879,682.

Operating expense for the calendar year 1952 totaled $15,564,646 and represented a decrease of $164,868 from the 1951 total of $15,729,514. Interest on members' deposits during 1952 reflected an increase of $2,511,408 or 85 percent over the 1951 total. The average monthly balance of such deposits during 1952 was $360,939,571 at an average cost of 1.52 percent as compared with $234,866,452 and 1.26 percent for 1951.

Interest and concessions on consolidated Federal Home Loan Bank obligations for 1952 decreased 25 percent or $2,761,912 below the 1951 total. This decrease is the result of an average balance outstanding of such obligations during 1952 of $351,850,100 at an average cost of 2.27 percent per annum, as compared with the 1951 average of $527,680,500 and 2.04 percent.

Nonoperating income for 1952 exceeded the nonoperating charges by $122,122, as compared to $49,950 during 1951.

Net income of the Banks during 1952 increased 37 percent over 1951 to a total of $8,625,076 and represented an average rate of earnings on capital stock, after statutory reserve requirements, of 2.32 percent, as compared with a net income of $6,295,149 and a rate of earnings of 2.05 percent for 1951. The cumulative net income of the Banks from the beginning of their operations through December 31, 1952, amounted to $86,671,901. The following tabulation reflects the disposition of the net income for 1952 and the cumulative net income through December 31, 1952:

	Calendar year 1952		October 1932 to December 31, 1952	
	Amount	Percent	Amount	Percent
Dividends paid:				
U. S. Government			$26,176,171	30.2
Member institutions	$5,661,591	65.6	25,037,594	28.9
Total dividends	5,661,591	65.6	51,213,765	59.1
Retirement fund, prior service and special payments	377,794	4.4	1,045,254	1.2
Undivided profits and contingent reserve	860,676	10.0	16,952,190	19.6
Legal reserve—Section 16 of Act	1,725,015	20.0	17,460,692	20.1
Total net income	8,625,076	100.0	86,671,901	100.0

Dividends of Banks

It will be noted from the foregoing that 65.6 percent of the 1952 net income was allocated to dividends, and that dividends from the beginning of operations equaled 59.1 percent of the cumulative net income. The average dividend rate for 1952 was 1.91 percent as compared with 1.78 percent for 1951. Dividend declarations by the individual Banks in 1952 ranged from 1¼ percent to 2¼ percent per annum. The 1951 declarations ranged from 1 percent to 2¼ percent.

The following tabulation reflects the total dividend distribution by each Federal Home Loan Bank through December 31, 1952:

Federal Home Loan Bank of—	Members	U. S. Government	Total
Boston	$1,847,528.62	$2,114,204.61	$3,961,733.23
New York	2,732,338.40	3,561,988.75	6,294,327.15
Pittsburgh	1,702,785.67	2,469,593.39	4,172,379.06
Greensboro	2,713,280.00	1,827,945.29	4,541,225.29
Cincinnati	4,478,973.10	3,234,798.08	7,713,771.18
Indianapolis	2,465,007.55	1,523,465.34	3,988,472.89
Chicago	3,150,929.37	3,865,163.95	7,016,093.32
Des Moines	1,742,913.85	1,717,899.59	3,460,813.44
Little Rock	867,022.88	1,782,509.62	2,649,532.50
Topeka	889,068.65	1,291,131.06	2,180,199.71
San Francisco	2,447,746.16	2,787,470.74	5,235,216.90
Totals	25,037,594.25	26,176,170.42	51,213,764.67

Home Loan Bank Board Supervision

Although very broad powers of supervision of the operations of the Federal Home Loan Banks have been delegated to the Home Loan Bank Board by the Federal Home Loan Bank Act, as amended, it is the policy of the Board to permit each Bank to operate under the direction of its regional Board of Directors, within certain limitations, in so far as may be permitted by the laws relating to such operations. In keeping with this policy, each Bank is permitted with respect to its member institutions to establish their respective lines of credit, make advances to them within such lines, select and fix the compensation of all employees, except officers and attorneys, if consistent with the Bank's budget of controllable expenses, which budget is required to be submitted to and approved in advance by the Home Loan Bank Board. Other actions by the Banks' Boards of Directors requiring specific approval of the Home Loan Bank Board include dividend declarations, appointments and salaries of all officers and attorneys, bylaw amendments, leases of banking quarters, and purchases and sales of investment securities. As previously indicated interest rates on interbank deposits are fixed by the Home Loan Bank Board, but interest rates on members' deposits and on advances are fixed by each Bank's Board of Directors within limitations prescribed by the Home Loan Bank Board.

Examinations of Banks

In keeping with the Federal Home Loan Bank Act, as amended, each Federal Home Loan Bank is examined at least annually by examiners attached to the staff of the Auditor of the Home Loan Bank Board. Also, in accordance with the provisions of the Government Corporation Control Act, the Banks and the internal operations of the Home Loan Bank Board and its constituent units are subject to annual audits by representatives of the General Accounting Office and annual reports thereon are rendered to the Congress. The Government Corporation Control Act requires the General Accounting Office to use to the fullest extent deemed practical reports of examinations of Government corporations made by the supervisory agency pursuant to law. In keeping with this requirement, the representatives of the General Accounting Office have confined their activities largely to periodic surveys of the operations of the Federal Home Loan Banks and analyses of examination and audit reports made by the staff of the Board's Auditor, and a review of the internal audit of the other activities supervised by the Home Loan Bank Board.

Management of Banks

The management of each Federal Home Loan Bank is vested in a board of 12 directors, all of whom shall be citizens of the United States and bona fide residents of the Federal Home Loan Bank District in which such Bank is located. Four of such directors are appointed by the Home Loan Bank Board for terms of 4 years and 8 are elected by the member institutions for terms of two years. The terms of the appointed directors are arranged to permit the expiration of but one term each year. The terms of half of the elected directors expire annually. Annual elections of directors are conducted by the Home Loan Bank Board in accordance with its prescribed regulations. A list of directors and officers as of December 31, 1952, follows:

FEDERAL HOME LOAN BANKS

Directors and officers as of December 31, 1952

Boston

DIRECTORS

Frederick J. Dillon[1] (public interest).
William J. Pape (public interest).
Rockwell C. Tenney (public interest).
Ralph R. Crosby (at large).
Milton A. Barrett[2] (at large).
Frederick T. Backstrom (class A).
Ralph E. Ellis (class A).
William J. D. Ratcliff (class B).
Frederic E. Small (class B).
Leo G. Shesong (class C).
A. Hadley Shumway (class C).

OFFICERS

Herbert N. Faulkner, president.
Lawrence E. Donovan, vice president and treasurer.
Paul H. Heywood, vice president and secretary.
Beatrice E. Holland, assistant secretary.

New York

DIRECTORS

George MacDonald[1] (public interest).
James Bruce (public interest).
Francis V. D. Lloyd (public interest).
Eustace Seligman (public interest).
Arthur F. Smethurst (at large).
Ernest A. Minier[2] (at large).
Leon Fleischmann (class A).
Arthur E. Knapp (class A).
Frank C. Hobler (class B).
Leonard E. Rautenberg (class B).
T. E. Hamilton (class C).
James W. Cullen (class C).

OFFICERS

Nugent Fallon, president.
Denton C. Lyon, vice president and secretary.
Harold B. Diffenderfer, vice president and treasurer.
Joseph F. X. O'Sullivan, assistant secretary.

Pittsburgh

DIRECTORS

Ernest T. Trigg[1] (public interest).
Dr. Charles S. Tippetts (public interest).
Arthur B. Koontz (public interest).
Walter B. Gibbons (public interest).
Fred A. Werner (at large).
Alexander Salvatori (at large).
Norman E. Clark[2] (class A).
C. Elwood Knapp (class A).
N. F. Braun (class B).
Charles Warner (class B).
Francis E. McGill (class C).
James W. Turtle (class C).

OFFICERS

G. R. Parker, president.
Harold L. Tweedy, vice president.
William M. Stout, vice president.
Dale Park, treasurer.
Warren Sutton, secretary.

Greensboro

DIRECTORS

W. P. Bowers (public interest).
Horace S. Haworth[1] (public interest).
Raymond D. Knight (public interest).
J. Grayson Luttrell (public interest).
Marion M. Hewell (at large).
Frank Muller, Jr. (at large).
Wallace O. DuVall (class A).
Edward C. Baltz[2] (class A).
George E. Comer (class B).
D. R. Fonville (class B).
George E. Rutledge (class C).
A. C. Blount (class C).

OFFICERS

O. K. LaRoque, president-secretary.
John M. Sink, Jr., vice president.
James T. Spence, treasurer.

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[1] Chairman.
[2] Vice Chairman.

Directors and officers as of December 31, 1952—Continued

CINCINNATI

DIRECTORS

Frank K. Vaughn (public interest).
W. D. Gradison (public interest).
Dr. Howard L. Bevis[1] (public interest).
Frazer D. LeBus (public interest).
W. Megrue Brock[2] (at large).
W. B. Furgerson (at large).
A. E. Albright (class A).
Allen C. Knowles (class A).
John C. Mindermann (class B).
E. A. Covington (class B).
Eric L. Schulte (class C).
R. A. Stevens (class C).

OFFICERS

Walter D. Shultz, president.
W. E. Julius, vice president-treasurer.
J. W. Whittaker, vice president.
E. T. Berry, secretary.

INDIANAPOLIS

DIRECTORS

Harold A. Fitzgerald (public interest).
Dr. Herman B. Wells[1] (public interest).
Charles T. Fisher, Jr., (public interest).
E. Kirk McKinney (public interest).
Arthur H. Deitsch (at large).
Fermor S. Cannon[2] (at large).
W. B. Burdick (class A).
Walter Gehrke (class A).
Harold F. Harrison (class B).
Walter L. Moreland (class B).
J. Albert Jackson (class C).
Byron L. Jones (class C).

OFFICERS

Fred T. Greene, president and secretary.
Fermor S. Cannon, vice president.
G. E. Ohmart, vice president and treasurer.
Sylvia F. Brown, assistant secretary.
Caroline F. White, assistant treasurer.

CHICAGO

DIRECTORS

Dr. David B. Owen (public interest).
Cola G. Parker (public interest).
Cornelius T. Young (public interest).
John E. Stipp[1] (public interest).
Edward L. Johnson (at large).
Charles R. Jones[2] (at large).
Robert J. Pittelkow (class A).
Ben F. Bohac (class A).
Earl S. Straight (class B).
Otto A. Kling (class B).
Robert L. Hirschinger (class C).
Austin J. Waldron (class C).

OFFICERS

A. R. Gardner, president.
Ola Sanders, Jr., senior vice president.
Allan Anderson, vice president.
Ralph Menard, secretary and treasurer.

DES MOINES

DIRECTORS

E. Raymond Hughes (public interest).
Paul E. Vardeman (public interest).
John D. Adams[1] (public interest).
Frank I. Neal (at large).
Maurice H. Jones (at large).
Walter R. Youngquist (class A).
M. K. Grecky (class A).
C. R. LaBarre (class B).
Michael A. Hund[2] (class B).
Richard Stillwagon (class C).
Robert L. Palmer (class C).

OFFICERS

Robert J. Richardson, president.
W. H. Lohman, vice president-treasurer.
A. E. Mueller, assistant treasurer.
J. M. Martin, secretary.

LITTLE ROCK

DIRECTORS

B. H. Wooten[1] (public interest).
Claude H. Roberts (public interest).
T. J. Butler (public interest).
Gordon H. Campbell (public interest).
W. P. Gulley[2] (at large).
C. Roy Smith (at large).
Curtis M. Hennesy (class A).
Meredith Queen (class A).
Albert J. Emke (class B).
A. H. Jerry Knippa (class B).
Louis D. Ross (class C).
Robert T. Love (class C).

[1] Chairman.
[2] Vice Chairman.

Directors and officers as of December 31, 1952—Continued

OFFICERS

Hugh D. Wallace, president and secretary.
J. C. Conway, vice president.
Ennis M. Oakes, vice president.
W. F. Tarvin, treasurer.

TOPEKA

DIRECTORS

L. C. Aicher (public interest).
Joseph A. Uhl, Jr. (public interest).
Harrington Wimberly[1] (public interest).
Paul F. Good (public interest).
F. J. McCue (at large).
Victor C. Garms (at large).
Gladys Forsyth (class A).
Louis W. Grant[2] (class A).
Eugene Howe (class B).
Otis A. King (class B).
Doris E. Soden (class C).
Carl A. Hammel (class C).

OFFICERS

C. A. Sterling, president and secretary.
R. H. Burton, vice president and treasurer.

SAN FRANCISCO

DIRECTORS

Ben A. Perham[1] (public interest).
Harold B. Starkey (public interest).
Archibald B. Young (public interest).
C. W. Leaphart (public interest).
Ralph C. Duvall (at large).
Guy E. Jaques (at large).
Gerrit Vander Ende (class A).
Joe Crail[2] (class A).
R. Floyd Hewitt (class B).
C. V. Carter (class B).
A. C. Boucher (class C).
I. W. Dinsmore (class C).

OFFICERS

Frederick W. Ruble, president and secretary.
F. M. Donahoe, senior vice president.
Frank C. Noon, vice president.
Ray E. Humphrey, treasurer.
L. F. Nolan, assistant treasurer.
E. M. Jenness, assistant secretary.
E. E. Pearson, assistant secretary.

[1] Chairman.
[2] Vice Chairman.

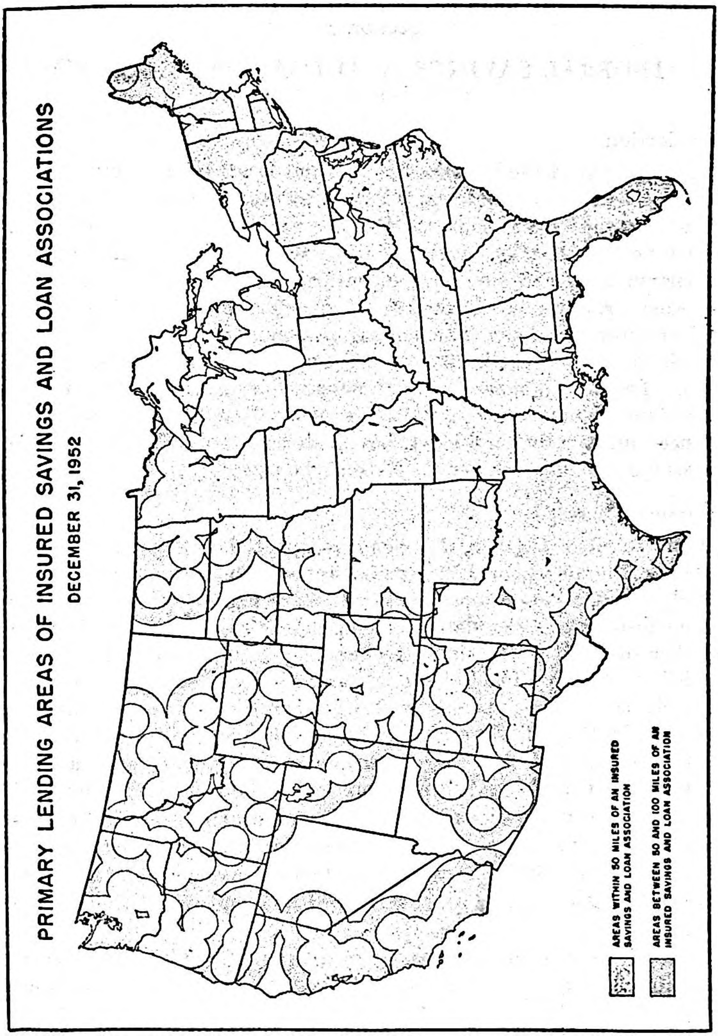

PRIMARY LENDING AREAS OF INSURED SAVINGS AND LOAN ASSOCIATIONS
DECEMBER 31, 1952
AREAS WITHIN 50 MILES OF AN INSURED SAVINGS AND LOAN ASSOCIATION
AREAS BETWEEN 50 AND 100 MILES OF AN INSURED SAVINGS AND LOAN ASSOCIATION

CHART 4

Section 3

FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

Introduction

The creation of the Federal Savings and Loan Insurance Corporation in 1934 represented an application of the insurance principle to the savings and loan business. Because of the nationwide coverage, it was possible to take advantage of diversification, which is a most important factor in any form of insurance. At the beginning, an assessment rate was established at one-quarter of one percent of share and creditor liability. The annual premium was reduced to one-eighth of one percent in 1935 and to one-twelfth of one percent in 1950. The record now clearly shows that insurance constitutes an important secondary support that has not only enhanced public confidence but, equally significant, has made additional funds available for widespread financing of the Nation's homes.

Insurance Coverage

On December 31, 1952, the membership of the Corporation numbered 3,172, of which 1,591 were State-chartered institutions for which insurance is optional and 1,581 were Federally chartered for which insurance is mandatory. This marks the first time that the number of insured associations operating under State charter exceeded the total of Federal savings and loan associations. By way of explanation, it may be observed that upon the creation of the Corporation in 1934 all Federal associations then in existence were required to qualify for insurance. Over the years, and as the advantages of insurance became more widely known, State-chartered institutions in increasing numbers have voluntarily qualified for insurance. The present membership of the Corporation, almost equally divided between State-chartered and Federal associations, is representative of the historical dual system of financial institutions in the United States.

Insured associations are located in all the States, the District of Columbia, and the Territories of Alaska, Hawaii, and Puerto Rico. At the close of 1952, over 10,800,000 savers had accounts in these institutions. Their investments totaled $16,732,000,000, of which nearly 98 percent was entirely covered by insurance, with the balance representing the amounts in excess of $10,000 per saver. The Corporation insures the safety of savings in each account against any type of loss up to $10,000. A detailed breakdown, by States and Federal Home Loan Bank Districts, of the number and assets of insured associations at the end of 1952 and 1951 will be found in table 5.

Membership

Eligibility requirements—The Corporation follows the standards of qualification established by the insurance law (Title IV of the National Housing Act, as amended) in determining whether an applicant institution is eligible for insurance. All available facts bearing upon the management, condition, and operations of an institution are analyzed to determine whether the association is eligible for insurance without change, whether it might qualify after the adoption of specific improvements, or whether the application should be rejected. If conditions are stipulated, the association is insured following compliance.

In order to become insured, an institution must have unimpaired capital and must operate under safe financial policies and management. The Corporation may reject an application for insurance if it finds that the character of the management of the applicant or its home-financing policy is inconsistent with economical home financing or with the purpose of insurance.

Admissions—A total of 157 institutions with assets of $290,000,000 qualified for insurance during 1952, slightly below the number for 1951. The high level of new admissions during the past few years reflects a more general understanding of the value of insurance, and an increasing demand from the public for this added protection.

Number of insurance admissions and terminations

Year	Admissions	Terminations	Year-end total
1947	49	9	2,536
1948	87	7	2,616
1949	148	8	2,756
1950	111	7	2,860
1951	164	4	3,020
1952	157	5	3,172

Terminations—During 1952, 5 institutions voluntarily terminated their insurance—2 reincorporating under other charters; 1 merging with another insured association; and 2 canceling insurance in connection with complete sale of association assets.

Insured associations, with the exception of Federal associations, have the right of terminating their insurance, provided they meet certain legal requirements. Also under the provisions of the insurance law, the Corporation has the right to cancel the insurance of an insured institution for a violation of the law or the rules and regulations of the Corporation. Wherever difficulties have appeared, it has been possible to develop corrective programs without resorting to the termination of insurance.

Insurance Protection for the Investor

To achieve its purpose of protecting the individual saver against loss, the Corporation has authority to act in two specific areas: (1) it may prevent the default and liquidation of an insured association in difficulty, or (2) when an insured association is declared in default and is placed in liquidation by the supervisory authorities, it must pay off the accounts of the insured savers.

To prevent a default, the Corporation has the authority to make a cash contribution or a loan to an association, or to purchase some or all of its assets. In cases where rehabilitation does not appear feasible and the decision is made to liquidate the association, the Corporation may pay the insured accounts in cash or may make other accounts in other operating insured institutions available to the savers of the association in liquidation. Before taking final action, the Corporation has always worked closely with the supervisory officials having authority over the associations affected. Therefore, the final result represents the combined efforts of the jurisdictional supervisors and the Corporation.

Payment of Insurance Claims

During 1952, the Corporation completed the liquidation of assets purchased in April 1950 for $4,405,175 in order to prevent default of an insured institution. Nearly 2,700 investors in this association were protected from any loss whatsoever, and the Corporation recovered all the funds initially disbursed for the purchase of assets. This has been the only case requiring financial action by the Corporation since 1944. During its 18½ years of operation, the Corporation has had net losses of $5,165,137 in 36 insurance cases.

Condition of the Corporation

Total assets of the Federal Savings and Loan Insurance Corporation had risen to $213,691,312 as of December 31, 1952, with over 98 percent consisting of cash and U. S. Government securities.

As required by law, the systematic retirement of the Corporation's capital stock was begun in July 1951. The original amount of $100,000,000 is being reduced by annual payments to the U. S. Treasury equivalent to one-half of the Corporation's net income each fiscal year. In July of 1952, stock totaling $7,529,000 was retired, lowering the total outstanding stock to $85,755,000.

The reserve of the Corporation rose to $120,484,833 on December 31, 1952, an increase of 13.5 percent during the calendar year. The combined capital stock and reserve of the Corporation totaled $206,239,833 and was equivalent to 1.3 percent of the insured share liability at year end. The Corporation's ability to meet its insurance obligations is further strengthened by its continuing authority to borrow up to $750,000,000 from the U. S. Treasury.

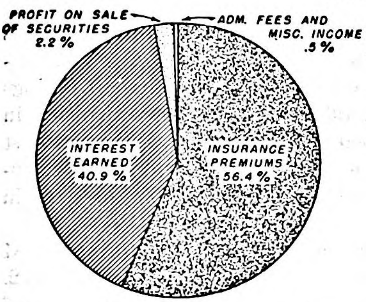
A complete statement of the condition of the Corporation as of December 31, 1952, and December 31, 1951, appears in table 6.

Operations of the Corporation

The income of the Corporation is derived from two main sources—the annual premiums paid by the insured member institutions and earnings on Government securities owned by the Corporation. During the calendar year 1952, gross income of the Corporation amounted to $16,983,666, of which $12,125,312 consisted of insurance premiums and admission fees, and $4,813,144, interest on investments.

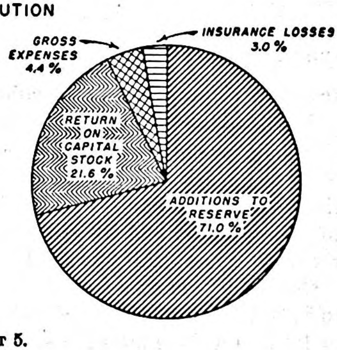
SOURCE AND DISTRIBUTION OF CUMULATIVE GROSS INCOME OF THE FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

SOURCE



Insurance premiums and interest earned on United States Government securities comprise the major sources of income of the Corporation. During the past 18 years funds derived from these sources amounted to 56.4% and 40.9%, respectively, of the Corporation's total cumulative income of $169,753,934.

DISTRIBUTION



Cumulative expenses have amounted to but 4.4% of the Corporation's income to date. Insurance losses have absorbed 3.0% and return on capital stock 21.6%. Thus, of the income received since the inception of the Corporation, 71.0% has been credited to reserves.

CHART 5.

Operating expenses of the Corporation are paid out of funds received from the above sources, no portion being paid out of the general funds of the U. S. Treasury. During 1952, total expenses amounted to $753,526, or 4.4 percent of gross income. A statement of income and expense for 1952 and 1951 appears in table 7.

Since the beginning of operations in 1934, cumulative insurance premiums and admission fees have accounted for 56.8 percent of total income, and interest on investments for 40.7 percent. An analysis of the distribution of income during the entire history of the Corporation reveals that 70.9 percent has been added to the reserve, 21.6 percent has been paid as a return on the Corporation's capital stock, 4.4 percent has been used for expenses, and 3.1 percent for insurance losses.

In accordance with statutory requirements, annual payments from net income are made to the Treasury as a return in lieu of dividends on the average amount of capital stock outstanding during the fiscal year. From organization to June 30, 1952, the Corporation has paid $36,642,901 for the use of its capital.

All Savings and Loan Associations

After a record growth of $3,500,000,000 during 1952, total resources of all operating savings and loan associations amounted to $22,700,-000,000 at year end. One of the most important features of savings and loan association operations in 1952 was the large expansion in savings capital. The $3,100,000,000 net growth was the greatest amount ever added during any one year. At the end of 1952, approximately 13 million savers owned the $19,200,000,000 invested in these institutions.

The mortgage portfolios of savings associations, accounting for 81 percent of assets, aggregated $18,500,000,000 as of December 31, 1952. Cash and U. S. Government obligations, representing 14 percent of assets, totaled $3,100,000,000 at year end.

Reserves and undivided profits amounted to $1,700,000,000 at year end, or 7.4 percent of total resources.

Insured Savings and Loan Associations

Assets of the insured membership, representing 87 percent of the combined assets of the savings and loan industry, totaled $19,656,-000,000 at year end, an increase of $3,500,000,000, or 21 percent during the year. About $290,000,000 of the increase was due to the admission of new members and the balance was attributable to the growth of the institutions already insured.

Outstanding first mortgage loans of insured associations, amounting to $16,092,000,000, accounted for 82 percent of their assets at the end of 1952. Of these mortgages, 19 percent were guaranteed or insured

Trends in asset items of all insured associations

[Dollar amounts in millions]

End of year	Total assets		Mortgage loans outstanding	Cash and U. S. Governments	Percent to assets	
	Amount	Percent of all savings and loan associations			Mortgage loans outstanding	Cash and U. S. Governments
1947	$8,528	73.0	$6,572	$1,703	77.1	20.0
1948	9,715	74.6	7,777	1,616	80.1	16.6
1949	11,278	77.1	9,022	1,869	80.0	16.6
1950	13,644	81.0	11,153	2,002	81.7	14.7
1951	16,146	84.3	13,191	2,295	81.7	14.2
1952 [1]	19,656	86.6	16,092	2,696	81.9	13.7

[1] Preliminary.

by Veterans Administration and 5 percent were insured by Federal Housing Administration. The balance represented conventional mortgage loans. The number of borrowers totaled almost 3,500,000. Liquid assets of $2,696,000,000 on December 31, 1952, consisting of cash and U. S. Government securities, were equivalent to 14 percent of assets and 16 percent of savings capital.

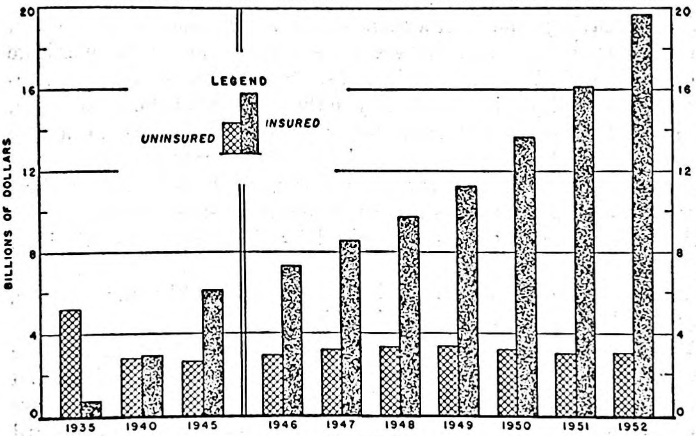


CHART 6.

Total savings capital on December 31, 1952, aggregated $16,732,000,000, after a net increase of $3,100,000,000, or 23 percent, during the year. Withdrawals for the entire year were equivalent to 60 percent of new savings received, compared with 67 percent for the year 1951.

The reserves and undivided profits of insured associations, which would be available for losses in case of need, continued to increase in 1952. At the close of the year, such reserve accounts totaled approximately $1,361,000,000 and were equivalent to 6.9 percent of total assets, or 8.1 percent of savings capital.

Section 4

FEDERAL SAVINGS AND LOAN SYSTEM

Introduction

The Federal Savings and Loan System was established pursuant to the Home Owners' Loan Act of 1933, Section 5 of which provided for the chartering of Federal savings and loan associations by the Home Loan Bank Board either through the issuance of new charters to local organizing groups or through the conversion of existing State institutions of the savings and loan type. The basic purpose of this legislation was to meet a need for more adequate thrift and home-financing facilities in many communities by providing, on a national scale, for local institutions which would operate on a uniform plan embodying the best practices and operating principles of savings institutions specializing in home finance.

Federal savings and loan associations being mutual organizations, the sole owners are the members whose savings accounts constitute the entire capital of the institutions. Savings accounts are nonassessable and all participate equally in the earnings of the association, on a pro rata basis, dividends being paid semiannually at a rate determined by the directors on the basis of net earnings. Directors are elected by the members at annual meetings. Federal associations may not accept deposits or issue certificates of indebtedness except for such borrowed money as is authorized by the Board's regulations. Funds received by Federal associations are generally of a savings or investment type and are loaned principally on a monthly amortization, long-term basis on the security of local home properties.

All Federal savings and loan associations must be members of the Federal Home Loan Bank System and of the Federal Savings and Loan Insurance Corporation, which insures their accounts. They are examined regularly and supervised by the Home Loan Bank Board and are subject to its regulations.

Granting of Charters and Branches

As provided in the enabling Act, applications for permission to organize new Federal associations are considered by the Board on the basis of all available information relative to the character and responsibility of the applicant group, the need for such an institution in the community to be served, the prospects for its usefulness and success, and whether or not it could be established without undue injury to properly conducted existing local thrift and home-financing institutions. No application is approved until provision has been made for a public hearing, which usually is dispensed with if no objection is received in response to locally published notice of such hearing. During the year 1952, 18 new Federal savings and loan associations were chartered.

Following a policy of strict impartiality as between State-chartered and Federally chartered associations, the Board applies the same eligibility standards for conversion of an uninsured State association to Federal charter as if it were seeking insurance of accounts under State charter. The fact that the total assets of all savings and loan associations are about evenly divided between State and Federal associations is deemed a healthy situation. The Board's policy is not to discourage conversion of insured associations, either from State to Federal charter or from Federal to State charter, in accordance with the expressed vote of the association's mutual shareholders. During 1952, 2 Federal associations reincorporated as State institutions while 16 State associations converted to Federal charter.

The Board considers applications for branch offices by Federal associations on the basis of the same tests as applications for new Federal charters. Approvals are granted only when there is satisfactory evidence that there is a real need for such an office in the community and that it can be operated successfully, without undue injury to local institutions. In all cases provision is made for a public hearing before approval of the establishment of a branch office, with notice of such hearing published locally and also mailed to the State supervisory authority and to the appropriate regional savings and loan trade organization. At the close of 1952 there were 113 Federal associations operating 161 branch offices, representing an increase of 34 such offices for the year.

Growth and Development to Date

There were 1,581 Federal savings and loan associations in operation as of December 31, 1952, of which 689 were newly organized under Federal charter and 892 were converted from State to Federal charter. During 1952 there were 18 charters issued to newly organized Federals and 16 to converting State associations. Since 2 were canceled due to reincorporation under State charter, there was a net increase of 32 in the total number of outstanding Federal charters.

Federal associations are located in each of the 48 States, District of Columbia, Alaska, Hawaii, and Puerto Rico. Combined assets of all Federal associations amounted to $11,762,000,000 at the end of 1952, representing a growth of 20 percent during the year and bringing their assets to 52 percent of the total assets of all associations in the country. The average size of Federal associations increased from $6,321,000 to $7,439,500 during 1952.

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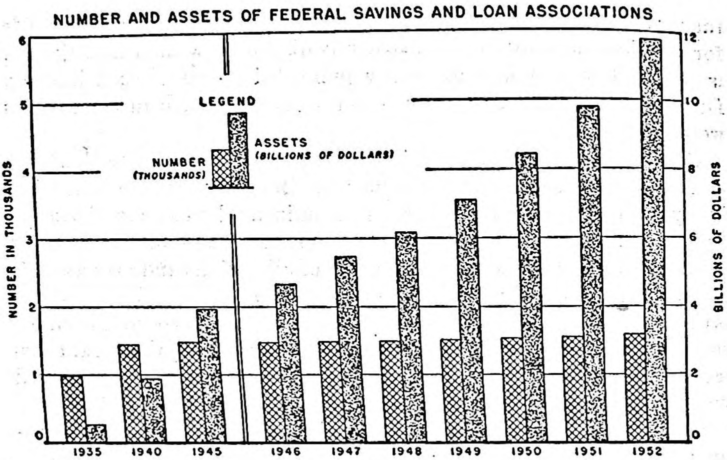

CHART 7.

Savings Activity and Trends During Year

At the end of 1952, the savings held by Federal associations had passed the ten billion dollar mark, being $10,035,000,000. The flow of savings into these institutions was at a record pace during the year, the net increase of $1,776,000,000, or 21.5 percent, being the largest dollar amount of net gain for any year in their 19-year history. New savings invested in Federal associations during 1952 totaled $4,367,000,000, while withdrawals aggregated $2,636,000,000, representing a withdrawal ratio of only 60 percent as compared with 67 percent for 1951 and 71 percent for 1950. The number of investors in Federal associations increased by 15 percent from 5,480,000 a year earlier to 6,310,000 at December 31, 1952.

Lending Activity and Trends During Year

Total mortgage loans of Federal associations, which are secured primarily by 1- to 4-family residences and represent 82 percent of total assets, registered a record increase of $1,629,000,000 during 1952. This increase from $7,964,000,000 to $9,593,000,000 was 20 percent, as compared with 16 percent in 1951. Conventional loans of $7,075,000,000 accounted for 74 percent of the total loan portfolio while GI loans of $1,935,000,000 were 20 percent and FHA loans of $583,000,000 were 6 percent of the total.

Federal associations made loans aggregating $3,427,000,000 during 1952, the largest annual total in their history. The following tabulation gives a brief comparative summary of new loans made by Federal associations during 1951 and 1952, classified as to purpose of loan:

Purpose	1952		1951		Percent increase in 1952
	Amount	Percent of total	Amount	Percent of total	
Construction	$1,180,000,000	34.4	$931,000,000	34.7	26.7
Purchase	1,449,000,000	42.3	1,140,000,000	42.5	27.1
Refinancing	321,000,000	9.4	236,000,000	8.8	36.0
Reconditioning	115,000,000	3.3	85,000,000	3.2	35.3
Other	362,000,000	10.6	290,000,000	10.8	24.8
Total	3,427,000,000	100.0	2,682,000,000	100.0	27.8

Liquidity and Reserves

Federal savings and loan associations held liquid assets of $1,644,000,000 in the form of cash and Government obligations at December 31, 1952, which represented an increase of $246,000,000, or 18 percent, during the year. Such liquid assets were equivalent to 16.4 percent of all savings accounts and 14.0 percent of total assets, which compares with similar ratios of 16.9 percent and 14.3 percent at the end of 1951. General reserve and surplus accounts of all Federal associations increased during 1952 from $677,000,000 to $800,000,000, or 18 percent, and such accounts represented 6.8 percent of assets at December 31, 1952, as compared with 6.9 percent at December 31, 1951, and 6.7 percent at the end of 1950. Corresponding reserve-to-savings ratios were 8.0 percent for 1952, 8.2 percent for 1951, and 8.1 percent for 1950.

TABLE 1.—*Federal Home Loan Banks—Summary of lending operations*

Federal Home Loan Banks	Calendar year 1952		Balance outstanding end of year
	Advances	Repayments	
Boston	$43,867,700.00	$31,944,618.00	$62,257,168.00
New York	81,926,775.00	92,856,390.66	92,732,414.94
Pittsburgh	39,513,800.00	31,752,175.00	73,791,140.00
Greensboro	62,432,075.00	56,209,883.10	98,847,567.85
Cincinnati	41,107,300.00	37,065,500.00	56,255,450.00
Indianapolis	19,403,500.00	26,474,151.71	50,950,396.66
Chicago	51,033,720.00	66,157,735.00	132,566,332.00
Des Moines	38,398,504.50	28,354,917.98	62,712,193.02
Little Rock	18,617,000.00	28,847,269.00	33,175,593.00
Topeka	17,153,500.00	22,553,390.00	25,449,880.00
San Francisco	172,359,397.18	105,345,477.35	175,450,395.83
Total—year:			
1952	585,813,271.68	527,561,507.80	864,188,531.30
1951	422,977,074.15	432,907,024.55	805,936,767.42
1950	674,756,649.69	292,229,081.73	815,956,717.82
1949	255,662,641.50	337,249,580.83	433,429,149.86
1948	359,612,776.74	280,168,873.35	515,016,089.19
1947	351,079,350.99	208,961,931.93	435,572,185.80
1946	320,231,890.68	230,649,366.93	293,454,766.74
1945	277,748,276.84	213,438,982.95	194,872,242.99
1944	239,254,221.89	218,759,089.74	130,562,949.10
1943	156,925,588.93	176,070,303.60	110,067,816.95
1942	99,461,876.19	189,695,394.41	129,212,531.62
1941	157,600,420.85	139,646,335.38	219,446,049.84
1940	134,212,165.93	114,033,192.20	201,491,964.37
1939	94,780,586.64	112,310,034.15	181,312,990.64
1938	81,958,343.39	83,153,601.22	198,842,438.15
1937	123,251,172.91	68,440,498.13	200,037,695.98
1936	93,257,057.50	50,715,704.66	145,227,021.20
1935	59,130,068.56	43,046,971.39	102,685,668.36
1934	38,675,560.12	37,515,249.30	86,602,571.19
1933	90,032,164.49	5,427,410.12	85,442,254.37
1932	837,500.00		837,500.00
Grand total	4,626,258,665.67	3,762,070,134.37	

TABLE 2.—*Federal Home Loan Banks—Schedule of interest rates on new advances and interest rates paid on members' time deposits Jan. 1, 1953*

	Boston	New York	Pittsburgh	Greensboro	Cincinnati	Indianapolis	Chicago	Des Moines	Little Rock	Topeka	San Francisco
	Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
Advances to members:											
Only one rate in effect	2.5	2.75		2.5	2.75	2.5		2.5	2.5	2.75	3.00
Secured advances:											
Not exceeding 1 year			2.5				2.5				
1 year to 5 years			2.75				2.75				
5 years to 10 years							3.0				
Unsecured advances: 1 year or less			2.5–2.75				2.5				
Time deposits:											
On deposits remaining:											
Over 30 days	1.25	2.0	1.0		1.25	2.0		1.75	1.5	1.75	[1] 1.0–2.0
31 to 60 days							1.0				
61 to 90 days							1.25				
Over 90 days							1.5				
Up to 6 months				1.5							
Over 6 months				1.75							
Certificates of deposit (1 year)	1.75		2.0		1.75		1.75				1.75

[1] 2% paid on the time portion, representing four-fifths of a combination time-demand deposit account.

Table 3.—*Federal Home Loan Banks—Comparative consolidated statement of condition as of dates indicated*

	Dec. 31, 1952	Dec. 31, 1951
ASSETS		
Cash:		
On hand, including imprest funds	$18,735.00	$19,660.28
On deposit with:		
Treasurer of the United States	14,795,564.95	9,729,204.85
Commercial banks	28,077,858.82	26,146,436.68
Total cash	42,892,158.77	35,895,301.81
Investment securities—United States obligations	310,937,012.38	249,520,917.81
Advances outstanding:		
Secured	633,645,902.32	596,622,190.42
Unsecured	230,542,628.98	209,314,577.00
Total advances outstanding	864,188,531.30	805,936,767.42
Accrued interest receivable	3,292,955.84	3,171,119.14
Deferred charges	378,822.43	739,431.70
Other assets	12,541.54	12,111.14
Total assets	1,221,702,022.26	1,095,275,649.02
LIABILITIES AND CAPITAL		
Liabilities:		
Deposits:		
Members, time	352,605,193.53	217,258,088.99
Members, demand	67,055,922.01	43,977,691.13
Applicants for membership	243,725.00	471,100.00
Total deposits	419,904,840.54	261,706,880.12
Accrued interest payable	4,009,729.93	4,431,358.75
Dividends payable	2,790,493.33	2,126,375.65
Accounts payable	8,910 69	32,218.20
Deferred credits	28,290.34	
Consolidated obligations (net) [1]	445,050,000.00	524,500,000.00
Total liabilities	871,801,264.83	792,796,832.72
Capital:		
Capital stock:		
Stock subscribed by member institutions	315,686,500.00	271,374,700.00
Less: unpaid subscriptions	198,625.00	723,075.00
Total paid-in on subscriptions	315,487,875.00	270,651,625.00
Surplus-earned:		
Legal reserve	17,460,692.14	15,735,676.93
Reserve for contingencies	4,831,259.91	5,510,758.42
Undivided profits	12,120,930.38	10,580,755.95
Total earned surplus	34,412,882.43	31,827,191.30
Total capital	349,900.757.43	302,478,816.30
Total liabilities and capital	1,221,702,022.26	1,095,275,649.02

[1] Consolidated Federal Home Loan Bank obligations issued by the Home Loan Bank Board and now outstanding are the joint and several obligations of all Federal Home Loan Banks and are not guaranteed by the United States or by any agency thereof. The amounts shown represent total unmatured obligations less amounts acquired in the open market and held by some of the Federal Home Loan Banks.

TABLE 4.—*Federal Home Loan Banks—Comparative consolidated statement of income and expense for the calendar years indicated*

	Year ended Dec. 31, 1952	Year ended Dec. 31, 1951
Earned operating income:		
Interest on advances	$17,026,155.12	$17,089,441.76
Interest on securities	7,036,210.84	4,879,682.27
Miscellaneous	5,234.71	5,588.93
Total operating income	24,067,600.67	21,974,712.96
Operating expenses:		
Compensation	1,118,316.50	1,044,478.85
Travel	103,105.46	103,737.10
Other administrative expenses	414,962.45	394,144.86
Interest on consolidated obligations	7,642,736.01	10,224,127.90
Concessions on consolidated obligations	352,498.07	533,019.16
Paid through office of fiscal agent	67,327.19	70,134.04
Interest on members' deposits	5,470,140.04	2,958,732.30
GAO audit expense	5,698.87	8,350.88
Assessment for expenses of HLBB	389,861.00	392,789.00
Total operating expenses	15,564,646.49	15,729,514.09
Net operating income	8,502,954.18	6,245,198.87
Nonoperating income:		
Profit, sales of securities	264,305.62	88,096.38
Furniture and equipment sales	667.20	3,650.40
Miscellaneous	1,463.08	974.86
Total nonoperating income	266,435.90	92,721.64
Nonoperating charges:		
Loss, sales of securities	128,089.35	16,670.15
Furniture and equipment purchased	16,224.69	26,101.19
Total nonoperating charges	144,314.04	42,771.34
Net income	8,625,076.04	6,295,149.17

TABLE 5.—*Federal Savings and Loan Insurance Corporation—Number and assets of insured savings and loan associations, by type, December 31, 1952 and 1951*

[Dollar amounts shown in thousands]

	All Insured				Federal				Insured State			
	1952		1951		1952		1951		1952		1951	
	Number	Assets	Number	Assets	Number	Assets	Number	Assets	Number	Assets	Number	Assets
United States	3,172	$19,656,012	3,020	$16,204,096	1,581	$11,761,981	1,549	$9,791,550	1,591	$7,894,031	1,471	$6,412,546
District No. 1—Boston	90	914,385	86	787,605	57	688,121	56	601,464	33	226,264	30	186,141
Connecticut	37	281,649	36	239,971	17	200,825	17	171,524	20	80,824	19	68,447
Maine	9	24,747	7	12,135	5	11,114	5	8,911	4	13,633	2	3,224
Massachusetts	31	416,012	30	369,813	30	408,347	29	362,582	1	7,665	1	7,231
New Hampshire	5	50,582	5	41,457	2	38,414	2	31,161	3	12,168	3	10,296
Rhode Island	5	124,261	5	108,646	1	12,692	1	12,104	4	111,569	4	96,542
Vermont	3	17,134	3	15,583	2	16,729	2	15,182	1	405	1	401
District No. 2—New York	344	2,639,412	325	2,217,358	91	1,286,735	88	1,075,370	253	1,352,677	237	1,141,988
New Jersey	158	820,417	153	689,175	20	106,105	20	89,763	138	714,312	133	599,412
New York	185	1,808,920	171	1,522,996	70	1,170,555	67	980,420	115	638,365	104	542,576
Puerto Rico	1	10,075	1	5,187	1	10,075	1	5,187	------	------	------	------
District No. 3—Pittsburgh	285	1,162,810	273	987,344	150	776,076	145	654,792	135	386,734	128	332,552
Delaware	2	3,771	2	2,757	2	3,771	2	2,757	------	------	------	------
Pennsylvania	257	1,085,142	246	921,375	127	709,279	122	597,680	130	375,863	124	323,695
West Virginia	26	73,897	25	63,212	21	63,026	21	54,355	5	10,871	4	8,857
District No. 4—Greensboro	429	2,781,794	401	2,235,840	275	1,933,190	260	1,535,017	154	848,604	141	700,823
Alabama	29	102,646	28	81,927	21	85,736	20	67,973	8	16,910	8	13,954
District of Columbia	25	498,850	25	438,698	10	121,457	10	101,873	15	377,393	15	336,825
Florida	65	619,292	56	468,328	63	614,644	54	462,772	2	4,648	2	5,556
Georgia	63	343,752	62	284,658	58	330,839	56	272,517	5	12,913	6	12,141
Maryland	52	435,284	50	338,325	36	320,231	35	260,304	16	115,053	15	78,021
North Carolina	107	379,664	99	305,512	32	170,538	31	138,254	75	209,126	68	167,258
South Carolina	52	194,939	48	154,341	34	148,837	33	118,236	18	46,102	15	36,105
Virginia	36	207,367	33	164,051	21	140,908	21	113,088	15	66,459	12	50,963

TABLE 5.—*Federal Savings and Loan Insurance Corporation—Number and assets of insured savings and loan associations, by type, December 31, 1952 and 1951*—Continued

[Dollar amounts shown in thousands]

	All Insured				Federal				Insured State			
	1952		1951		1952		1951		1952		1951	
	Number	Assets	Number	Assets	Number	Assets	Number	Assets	Number	Assets	Number	Assets
District No. 5—Cincinnati	408	$2,622,181	382	$2,237,733	226	$1,493,792	223	$1,282,492	182	$1,128,389	159	$955,241
Kentucky	61	232,482	59	206,739	55	220,366	55	197,493	6	12,116	4	9,246
Ohio	307	2,166,223	286	1,845,582	134	1,052,992	132	901,070	173	1,113,231	154	944,512
Tennessee	40	223,476	37	185,412	37	220,434	36	183,929	3	3,042	1	1,483
District No. 6—Indianapolis	201	1,163,844	194	926,670	108	803,066	104	678,719	93	360,778	90	247,951
Indiana	146	647,375	143	531,081	72	426,412	70	362,135	74	220,963	73	168,946
Michigan	55	516,469	51	395,589	36	376,654	34	316,584	19	139,815	17	79,005
District No. 7—Chicago	450	2,394,012	425	1,974,410	146	1,169,075	145	994,081	304	1,224,937	280	980,329
Illinois	323	1,890,785	306	1,567,777	106	1,003,981	105	855,539	217	886,804	201	712,238
Wisconsin	127	503,227	119	406,633	40	165,094	40	138,542	87	338,133	79	268,091
District No. 8—Des Moines	198	1,175,550	184	972,662	111	773,752	109	645,677	87	401,798	75	326,985
Iowa	53	216,627	52	176,646	32	134,026	32	108,980	21	82,601	20	67,666
Minnesota	40	472,548	39	413,677	32	379,630	31	326,538	8	92,918	8	87,139
Missouri	90	424,912	80	336,799	36	225,184	36	183,057	54	199,728	44	153,742
North Dakota	8	44,426	7	31,999	6	23,506	6	18,066	2	20,920	1	13,933
South Dakota	7	17,037	6	13,541	5	11,406	4	9,036	2	5,631	2	4,505
District No. 9—Little Rock	293	1,079,709	286	900,227	159	501,455	160	421,319	134	578,254	126	478,908
Arkansas	41	89,950	40	76,494	35	78,347	35	66,740	6	11,603	5	9,754
Louisiana	72	315,696	72	275,358	14	59,378	14	49,542	58	256,318	58	225,816
Mississippi	26	68,514	26	55,410	21	56,955	21	46,293	5	11,559	5	9,117
New Mexico	15	47,329	14	38,051	7	29,836	7	24,902	8	17,493	7	13,149
Texas	139	558,220	134	454,914	82	276,939	83	233,842	57	281,281	51	221,072

District No. 10—Topeka	185	778, 769	179	619, 568	97	508, 845	97	425, 059	88	269, 924	82	194, 509
Colorado	44	202, 938	43	164, 487	23	138, 226	23	111, 209	21	64, 712	20	53, 278
Kansas	69	234, 787	68	191, 897	28	136, 710	28	111, 532	41	98, 077	40	80, 365
Nebraska	27	91, 717	23	47, 267	15	37, 544	15	29, 748	12	54, 173	8	17, 519
Oklahoma	45	249, 327	45	215, 917	31	196, 365	31	172, 570	14	52, 962	14	43, 347
District No. 11—San Francisco	289	2, 943, 546	285	2, 344, 679	161	1, 827, 874	162	1, 477, 560	128	1, 115, 672	123	867, 119
Alaska	1	1, 851	1	1, 691	1	1, 851	1	1, 691				
Arizona	4	53, 838	4	41, 959	2	38, 772	2	20, 968				
California	165	2, 134, 065	163	1, 662, 899	73	1, 216, 630	74	967, 979	2	15, 066	2	11, 991
Hawaii	4	17, 196	4	14, 900	1	10, 455	1	8, 905	92	917, 435	89	694, 920
Idaho	9	49, 615	8	42, 103	8	48, 921	8	42, 103	3	6, 741	3	5, 995
Montana	10	40, 584	10	34, 288	4	13, 661	4	11, 286	1	694		
Nevada	1	7, 312	1	6, 457	1	7, 312	1	6, 457	6	26, 923	6	23, 002
Oregon	21	110, 364	21	89, 508	21	110, 364	21	89, 508				
Utah	10	91, 029	10	78, 307	6	46, 239	6	37, 341				
Washington	55	412, 541	54	351, 362	35	308, 518	35	261, 117	4	44, 790	4	40, 966
Wyoming	9	25, 151	9	21, 205	9	25, 151	9	21, 205	20	104, 023	19	90, 245

TABLE 6.—*Federal Savings and Loan Insurance Corporation—Statement of condition as of dates indicated*

Items	Dec. 31, 1952	Dec. 31, 1951
ASSETS		
Cash	$1,208,240.82	$3,203,906.61
Accounts receivable:		
Insurance premiums—payments due	273,179.09	240,915.33
Insurance premiums—payments deferred	3,473,344.76	2,868,250.64
Admission fees receivable	1,226.99	2,561.01
Miscellaneous	6.00	4.00
Total	3,747,756.84	3,111,730.98
Investments:		
U. S. Government securities (par value)	208,740,000.00	199,990,000.00
Net unamortized premium and discount on investments	442,817.65	208,406.33
Total	208,297,182.35	199,781,593.67
Accrued interest on investments	290,758.57	994,254.36
Pending and unclaimed insured accounts in liquidated institutions	7,046.38	7,046.38
Less: Allowance for losses	596.23	596.23
Total	6,450.15	6,450.15
Assets purchased from insured institutions to prevent default		969,298.94
Furniture, fixtures and equipment	56,596.60	55,347.10
Less: Allowance for depreciation	56,596.60	55,347.10
Total		
Deferred charges:		
Home Loan Bank Board	140 131.35	143,108.91
Fidelity bond and other insurance premiums	361.06	722.12
Total	140,492.41	143,831.03
Other assets	431.10	720.32
Total assets	213,691,312.24	208,211,786.06
LIABILITIES AND CAPITAL		
Liabilities:		
Accounts payable	34.08	
Accrued liabilities	32,274.73	2,477,974.84
Accrued payments in lieu of dividends on capital stock	876,974.79	887,573.22
Deductions from employees' salaries	18,385.63	19,293.03
Pending and unclaimed insured accounts in liquidated institutions	7,046.38	7,046.38
Custodial funds—receiverships	8,132.84	8,132.84
Total	942,848.45	3,400,020.31
Deferred credits:		
Unearned insurance premiums	6,508,416.79	5,409,175.34
Prepaid insurance premiums	214.41	9.06
Total	6,508,631.20	5,409,184.40
Capital:		
Capital stock	85,755,000.00	93,284,000.00
Reserve fund as provided by law	112,944,153.51	99,761,632.55
Unallocated income	7,540,679.08	6,356,948.80
Total	120,484,832.59	106,118,581.35
Total liabilities and capital	213,691,312.24	208,211,786.06

TABLE 7.—*Federal Savings and Loan Insurance Corporation—Statement of operations for the calendar years 1951 and 1952*

Items	Jan. 1, 1952 through Dec. 31, 1952	Jan. 1, 1951 through Dec. 31, 1951
Operating income:		
Insurance premiums earned	$12, 026, 721. 41	$10, 125, 281. 36
Admission fees earned	98, 590. 77	161, 137. 40
Interest earned on U. S. Government securities	4, 813, 143. 88	4, 515, 070. 95
Miscellaneous	3. 25	6. 57
Total operating income	16, 938, 459. 31	14, 801, 496. 28
Operating expenses and losses:		
Administrative expenses	430, 373. 65	489, 734. 12
Liquidation and other expenses	39. 87	5, 838. 98
Services rendered by Home Loan Bank Board	284, 799. 45	*144, 187. 31
Depreciation of furniture, fixtures and equipment	4, 475. 15	4, 764. 30
Losses on subrogated accounts		112. 55
Total operating expenses and losses	719, 688. 12	644, 637. 26
Net income from operations	16, 218, 771. 19	14, 156, 859. 02
Nonoperating income:		
Gains on assets purchased from insured institutions	43, 333. 70	
Sale of furniture, fixtures and equipment	1, 768. 50	984. 00
Miscellaneous	104. 98	1, 142. 25
Total nonoperating income	45, 207. 18	2, 126. 25
Nonoperating charges:		
Loss on sale of securities	33, 837. 69	
Commission on securities		375. 02
Total nonoperating charges	33, 837. 69	375. 02
Net income before adjustment of valuation reserves	16, 230, 140. 68	14, 158, 610. 25
Adjustment of valuation reserves:		
Provision for losses on assets purchased from insured institutions		132, 155. 25
Provision for losses on pending and unclaimed insured accounts in liquidated institutions		114. 12
Net adjustment of valuation reserves		132, 269. 37
Net income before payment of return on capital stock	16, 230, 140. 68	14, 290, 879. 62
Provision for return on capital stock in lieu of dividends	1, 863, 889. 44	1, 762, 573. 22
Net income	14, 366, 251. 24	12, 528, 306. 40

*Classified as administrative expenses prior to June 30, 1951

PART III

OF THE

Sixth Annual Report

HOUSING AND HOME FINANCE AGENCY

Covering the Activities of the

FEDERAL HOUSING ADMINISTRATION

LETTER OF TRANSMITTAL

To the Congress of the United States:

In accordance with Section 5 of the National Housing Act as amended, I transmit herewith the Nineteenth Annual Report of the Federal Housing Administration. This report covers the calendar year 1952.

Respectfully,

Guy T. O. Hollyday,
Commissioner.

Functions of the Federal Housing Administration

Under authority provided in the National Housing Act of June 27, 1934, as amended, the Federal Housing Administration operates insurance programs designed to encourage improvement in housing standards and conditions and to guide the creation of a sound mortgage market. Some of these are long-term programs; others are temporary in nature, having been put into effect to meet special conditions existing at various times. The FHA makes no loans and does not plan or build housing.

As provided by the President's Reorganization Plan No. 3 of 1947, the FHA is a constituent unit of the Housing and Home Finance Agency.

Title I

Section 2 of Title I of the Act authorizes the FHA to insure qualified lending institutions against loss on loans made to finance the alteration, repair, improvement, or conversion of existing structures, and the building of small new nonresidential structures. Under present law, this insurance is applicable to loans made on or before June 30, 1955.

Section 8 of Title I, added to the Act in 1950, authorizes the insurance of mortgages on new single-family dwellings for families of low and moderate income, particularly in suburban and outlying areas. No expiration date has been established for this program.

Title II

Section 203 of Title II authorizes the insurance of mortgages on new and existing 1- to 4-family dwellings. The principal activity of the FHA over its 18½ years of operation has been carried on under this section.

Section 207 of Title II authorizes the insurance of mortgages, including construction advances, on rental housing projects. Mortgages on projects of 12 or more units are insured.

Section 213, added to Title II in 1950, authorizes the insurance of mortgages on cooperative housing projects. Mortgages on projects of 12 or more units are insured. In a sales-type project (one built by a nonprofit corporation or trust organized for the purpose of building homes for members), the individual homes may be released from the blanket mortgage on the project and individual mortgages on these homes may be insured under Section 213. This section also authorizes the FHA to furnish technical advice and assistance in the organization of the cooperatives and in the planning, development, construction, and operation of their housing projects.

Title VI

Sections 603 and 608 of Title VI were enacted in 1941 and 1942, respectively, to aid the production of war housing through mortgage insurance provisions somewhat more liberal than those under Sections 203 and 207. Section 603 provided for the insurance of mortgages on 1- to 4-family homes and Section 608 for mortgage insurance on rental projects. These sections became inactive after the war ended, but were revived in 1946 as part of the Veterans' Emergency Housing Program. The authority to issue commitments of mortgage insurance on new construction under Section 603 expired April 30, 1948, and new-construction commitments under Section 608 were limited to those for which applications were received on or before March 1, 1950.

Section 609 of Title VI, added in 1947, authorizes the insurance of short-term loans to finance the manufacture of housing, and the insurance of lending institutions against loss on notes given in part payment by purchasers of manufactured housing financed with insured loans.

Section 610 of Title VI, added in 1947, authorizes the insurance under Sections 603 and 608 of mortgages on specified types of permanent housing sold by the Government.

Section 611 of Title VI, added in 1948, authorizes the insurance of mortgages, including construction advances, on projects of 25 or more new single-family dwellings. The purpose of this section is to encourage the application of site fabrication and other cost-reduction techniques to large-scale homebuilding operations. The individual dwellings may be released from the blanket project mortgage and individual mortgages on these dwellings may be insured under Section 611.

Title VII

Title VII, added in 1948, authorizes the insurance of a minimum amortization charge and an annual return on outstanding investments in debt-free rental projects.

Title VIII

Title VIII, added in 1949, authorizes the insurance of mortgages on rental housing built on or near military reservations for the use of civilian or military personnel of the Army, Navy, or Air Force, on certification by the Secretary of Defense, and rental housing for employees of Atomic Energy installations on certification by the Atomic Energy Commission. Commitments to insure mortgages on new construction under this title are limited to those issued on or before July 1, 1953.

Title IX

This title, added to the Act in September 1951, provides for the insurance of mortgages on housing programed for critical defense areas by the Administrator of the Housing and Home Finance Agency. Preference of opportunity to rent or purchase must be given to eligible defense workers. Section 903 of Title IX authorizes the insurance of mortgages on 1- and 2-family dwellings. Under Section 908, mortgages on rental projects of 12 or more units are insured. No commitment of mortgage insurance on new construction may be made under Title IX after June 30, 1953.

Section 1

GENERAL REVIEW

In 1934 the Federal Housing Administration was an experimental venture having as its purpose the encouragement of improvement in housing standards, conditions, and financing methods. The new agency undertook to provide this encouragement to private enterprise with the least possible Government intervention and the least possible cost to the Government, through a program of insurance covering property improvement loans and mortgage loans on homes and rental projects, made by private lending institutions. Underlying the provisions of the National Housing Act, which established the FHA, was the basic idea of a sound transaction—one in which the ability and willingness of the borrower to repay his loan in accordance with the contract terms was recognized as the most important element, and one in which such repayment could be looked forward to with reasonable confidence.

Today, the FHA holds a prominent place in the pattern of real estate finance throughout the United States and has contributed directly or indirectly to many of the improvements that have taken place in the last two decades in the housing of the American people.

The extent of its influence is indicated by the volume of its operations. Insurance written by the FHA from 1934 through 1952 under all its programs totaled more than $29 billion. Mortgages were insured in this period on over 3 million homes and on rental and cooperative housing projects with 609 thousand dwelling units. The greater number of both home and project mortgages involved new housing. In addition, over 14 million loans financing repairs and improvements to properties located in every county of the United States and manufactured-housing loans covering 1,750 units were insured.

Of the aggregate insurance written, $15.9 billion was estimated to be outstanding as of December 31, 1952. As of the same date, losses on the total amount of mortgage insurance written amounted to $\frac{2}{100}$ of 1 percent.

Since July 1, 1940, this agency has been entirely self-supporting. Its income is derived chiefly from fees and premiums on insurance contracts.

The long-term, high-percentage amortized mortgage insured by the FHA has been instrumental in broadening the base of home ownership and making it a safer investment for the average family. The risk rating system of the FHA has been an important safety factor. The FHA program has unquestionably been an influence in the great increase in home ownership that occurred in the 1940's. By 1950, for the first time in our history, more than half of all families in the United States owned the homes they occupied.

From the beginning, FHA operations have been directed to the lower-price market. In the years of rising costs following the war, special effort has been made to encourage the production of housing, both for sale and for rent, within the means of families in this section of the market. Efforts by the FHA have also been instrumental in effecting a more favorable attitude on the part of builders and lenders towards increasing the volume of housing available to racial minorities.

By providing a standardized mortgage instrument, the FHA has made possible the purchase and sale of insured mortgages on a national scale. It has also contributed materially to improvement in housing standards and in methods of locating, planning, and developing subdivisions. Moreover, FHA analysis of local housing markets has helped to avert overbuilding in specific areas and price ranges.

Adequate housing for workers is a vital factor in defense and national production. This has been recognized by Congress in amendments made to the National Housing Act from time to time to meet specific situations. Title VI was added in 1941 to encourage the production of housing needed for defense workers, and became active again as a means of meeting the postwar crisis in veterans' housing. Title VIII was enacted in 1949 to help to provide housing for personnel at military installations. Title IX, approved September 1, 1951, offers mortgage insurance on programed housing for workers in critical defense areas.

At the beginning of 1952, the FHA determined its major objective for the year to be increased production of housing in the most critical areas of the market: that is, military housing, defense housing, low-cost housing, and housing available to racial minorities. This objective continued to receive major stress by the FHA throughout the year. No new programs were inaugurated.

Developments in the national economy as 1952 progressed resulted in a larger volume of new housing than had been thought feasible when the year began. New privately financed nonfarm units started during the year totaled 1,068,500, a 4 percent increase over the number started in 1951. Applications for FHA insurance were received at a considerably higher rate than in the preceding year, and there was also an increase in the number of new units started under the FHA program, although the total amount of insurance written in 1952 was 3 percent under the 1951 amount.

New Legislation

No major amendments were made to the National Housing Act in 1952. The Housing Act of 1952 (Public Law 531, 82d Congress, approved July 14, 1952) effected some minor changes which included the following:

1. Section 217 was amended by increasing the mortgage insurance authorization by $400 million earmarked for mortgage insurance pursuant to commitments issued after June 30, 1952 on programed housing in critical defense areas, military housing under Title VIII, and disaster housing.[1] Section 217 as amended also provides that available authorizations under the various titles of the Act may be transferred from one program to another.

2. Section 610 was amended to make eligible for insurance under Section 608 mortgages financing purchases from a State or municipality of certain housing constructed by the State or municipality. Such mortgages may not exceed 85 percent of appraised value of the property or $8,100 per family unit.

3. Mortgages on properties located in Guam may be insured on the same terms and conditions as properties located in Alaska.

Interest Rate

There was considerable discussion in 1952 of the effectiveness of FHA interest rates. Many lenders were of the opinion that the maximum rate of interest on insured home mortgages, which the administrative rules of the FHA had set at 4¼ percent, should be increased. This would be possible under the present provisions of the Act.

The Commissioner believed, however, that the weight of evidence favored retention during the year of the current maximum rate, which appeared to be effective in most parts of the country. Factors influencing this point of view included the prices bid for FHA mort-

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[1] Section 217 as enacted by Public Law 139, 82d Congress, approved September 1, 1951, authorized the President to prescribe the amount of insurance authorization under the various titles and sections of the Act (except Section 2) and provided that the aggregate dollar amount of authorization prescribed by the President for Title IX plus any increases prescribed for authorization under other titles should not exceed $1.5 billion. Pursuant to this authority a number of changes were prescribed in 1952, bringing the aggregate authorizations for the titles listed below to the amounts indicated:

Title II: Aggregate principal amount of insured mortgages outstanding at any one time, $11.5 billion;

Title VI, Sections 609, 610, and 611: Aggregate principal insured, $150 million;

Title VII: Aggregate amount of contingent liabilities outstanding at any one time under insurance contracts and commitments, $100 million.

Title IX: Aggregate principal insured, $900 million.

gages as reported by field offices throughout the country; an upward trend during most of the year in the volume of mortgage insurance applications received, dwelling units started, and mortgages insured; and the fact that the volume of funds being invested in new insured mortgages on existing homes was 9 percent higher in 1952 than in the highest previous year.

No change was made, therefore, in 1952 in the maximum allowable interest rate. As the year ended, the FHA was continuing to study the subject closely.[1]

On January 5, 1953, the administrative rules under Section 8 of Title I were amended to permit mortgagees to require payment of an annual service charge not to exceed one-half of 1 percent on monthly declining balances of principal on mortgages insured under this section.

Credit Controls Relaxed

Effective June 11, 1952, the Federal Reserve Board with the concurrence of the Housing and Home Finance Administrator relaxed the credit controls on residential real estate under Regulation X by increasing the maximum permissible loan-value ratios. Simultaneously, FHA administrative rules were amended to accord with these changes.

On September 16, 1952, at the same time that announcement was made by the Federal Reserve Board of the suspension of Regulation X on conventional residential credit, the FHA withdrew its credit control limitations on maximum mortgage ratios, thereby restoring the limitations that had been in effect before the imposition of FHA credit controls on July 19, 1950.

The $14,000 limitation on mortgages covering single-family dwellings was retained until January 16, 1953. On April 21, 1953, all remaining temporary credit control limitations were removed.

Programed Housing

The designation of critical defense housing areas by the President and the programing by the Housing and Home Finance Administrator of new housing for sale or rent in those areas, as provided in the Defense Housing and Community Facilities and Services Act of 1951, continued through 1952; but with the relaxation, effective September 16, 1952, of controls on residential real estate credit the legal basis for the CR–3 requirements was removed. This brought about a change in the procedure for allocating defense housing units to be

[1] On May 2, 1953, the maximum interest rate under Sections 8, 203, 603–610, and 903 was increased to 4½ percent, and that under Sections 207 and 608–610 was increased to 4¼ percent.

constructed. After September 16, the distribution among builder-applicants of units under defense housing programs was obtained by having the defense housing units applied for through the submission of applications for mortgage insurance under Title IX, accompanied by the appropriate examination or application fees and a supplemental agreement concerning eligibility requirements. This agreement stated that the property to be covered by the mortgage was located in a critical defense housing area; that it was included within the number of permanent dwelling units programed by the HHFA as defense housing needed for eligible defense workers or military personnel employed by or stationed at the defense activities designated in the defense housing program; and that the established rent and sales prices stipulated in the program were complied with.

High-Cost Areas

On October 29, 1952, the Commissioner notified approved mortgagees that the FHA would give consideration to increasing maximum insurable mortgage amounts in critical defense housing areas where it was found that high construction costs were apparently retarding the defense housing programs approved for such areas.

Increased mortgage amounts, when authorized, apply to Section 203 (b)(2)(D) of Title II and Section 8 of Title I in addition to Sections 903 and 908 of Title IX.

Determinations of high-cost defense housing areas are made by the Commissioner on the basis of construction costs, and are limited to areas where it is clearly determined that such action is necessary in order to encourage the construction of additional housing for in-migrant defense workers. The increased amounts are applicable to nonprogramed as well as programed new construction within the areas.

Controlled Materials Plan

FHA activity under the Controlled Materials Plan, which began in August 1951 by delegation of authority from the Housing and Home Finance Administrator and concerned the processing of applications for allotment of controlled materials to be used in the construction of multi-unit residential structures, was transferred from the field offices to Washington headquarters on October 1, 1952, where it was carried on through December 31, 1952. At the end of the year, all FHA activity was discontinued because of the self-authorization procedure that became effective on January 1, 1953. Revised CMP Regulation No. 6, Direction 8, as amended December 10, 1952, extended the self-authorization procedure provided for in Article IV of Revised CMP Regulation No. 6 for small construction projects to include construction of multi-unit residential structures.

Disaster Housing

Section 8, Title I of the National Housing Act makes special provision for the insurance of mortgages in amounts up to $7,000 (or up to $8,000 in high-cost areas) to finance the replacement of properties damaged or destroyed by major disasters. In addition to the assistance extended to disaster victims throughout 1952 under the provisions of Section 8 in areas declared by the President to be areas of major disaster, the FHA administered a program of 250 units for rent or for sale without regard to credit controls, which the HHFA Administrator programed in June 1952 for the Missouri and Red River flood areas, declared disaster areas by the President under Public Law 875 of the 81st Congress. Fifty units each were allocated for disaster victims in the North Dakota-Minnesota Red River Valley, South Dakota, Nebraska, Iowa, and Western Missouri. Applications under this program must be filed on or before August 1, 1953.

Regional Meetings

A series of regional meetings was held in May and June in New York, Salt Lake City, Atlanta, Chicago, and Houston, for discussions of over-all operations with particular emphasis on slum clearance and urban redevelopment, military housing, defense housing, and the housing of minority groups. These meetings were attended by FHA regional directors and insuring office personnel including directors, chief underwriters, and heads of technical sections, and also by regional representatives and division directors of the HHFA. The topics covered included discussion of the assistance available to local public agencies through the FHA in programs of slum clearance and urban redevelopment. This assistance is possible in such problems as those of land marketability, determination of re-use value, and the provision of housing to meet the needs of families displaced by slum clearance operations.

Minority Groups

One of the basic responsibilities of the Federal Housing Administration, the encouragement of improvement in housing standards and conditions, cannot be carried out successfully unless the improvement extends to the housing of all racial groups. For this reason, the FHA continually emphasizes to the building industry the importance of making better housing available to racial minorities.

In general, FHA efforts on behalf of minorities have taken the form of studying the nature and extent of the housing market to be found among members of such groups, pointing out to lenders and builders the advantageous features of the market, and adjusting its own procedures where necessary to allow full scope for the industry in providing needed housing under the FHA program.

Steps taken in this direction by the FHA in recent years include the appointment in 1947 of five racial relations officers working with FHA field offices in various sections of the country under the direction of the regional directors in Washington; the establishment in 1950 of the position of minority-group housing adviser in the office of the FHA Commissioner; amendments to the administrative rules in 1949 to bring FHA policies into full accord with those underlying Supreme Court decisions on racial covenants; amendments in 1949 and 1951 to the Underwriting Manual, emphasizing the right of equal opportunity for all races to receive the benefits of the mortgage insurance system; and instructions to field offices in 1951 to obtain full subscription of the number of units programed to meet the needs of minority-group workers in critical defense areas.

Measures made effective in 1952 included the following:

1. In January a joint policy statement was issued by the constituent agencies of the HHFA in which the FHA gave assurance of encouragement and assistance to private builders developing vacant land areas for housing available to minority groups displaced because of slum clearance operations.

2. In August field directors were instructed that, in considering applications for exception from real estate credit restrictions, preference should be given, among applications equally acceptable, to those proposing the construction of developments that would be open to occupancy by minority groups.

3. In September the number of racial relations officers in the field was doubled.

4. In September also, instructions were given to FHA market analysts for making general field studies of the housing market among minority groups. The program contemplates conducting, within about two years, a series of studies of this market in every Standard Metropolitan Area having a population of 250,000 or over that includes a significant minority-group population and is served by a market analyst. Market studies for a number of these areas had already been made in the regular course of FHA operations. Although the reports are confidential administrative reports, special arrangements are being made for release of pertinent factual materials to non-FHA groups or individuals having an interest in this field.

5. In October, in order that a larger proportion of new houses would be made available to members of minority groups during 1953, insuring office quotas were established for such housing, and meetings with builders, mortgagees, and others to attain these quotas were to be held during the year.

6. A statistical reporting service has been put into effect in field offices for the purpose of measuring progress in housing minority groups under the FHA program.

Aggregate Volume of Insurance

Insurance written by the FHA under all its programs from 1934 to the end of 1952 totaled well over $29 billion, covering 14.3 million property improvement loans and mortgages on 3.9 million dwelling units. The largest share of the total insurance written, $18.6 billion, represented mortgages on homes. Property improvement loans accounted for another $6.1 billion of the total, and rental and cooperative project mortgages for $4.4 billion. The volume of insurance by years for each of these groups is shown in Table 1. Chart 1 presents the same information for selected years.

TABLE 1.—*Mortgages and loans insured by FHA, 1934–52*

[Dollar amounts in thousands]

Year	Total, all programs [1]	Home mortgage programs [2]		Project mortgage programs [3]		Property improvement loans [4]		Manufactured housing loans [5]	
	Amount	Number	Amount	Units	Amount	Number	Net proceeds	Units	Amount
1934	$27,406					72,658	$27,406		
1935	297,495	23,397	$93,882	738	$2,355	635,747	201,258		
1936	532,581	77,231	308,945	624	2,101	617,697	221,535		
1937	489,200	102,076	424,373	3,023	10,483	124,758	54,344		
1938	671,593	115,124	485,812	11,930	47,638	376,480	138,143		
1939	925,262	164,530	694,764	13,462	51,851	502,308	178,647		
1940	991,174	177,400	762,084	3,559	12,949	653,841	216,142		
1941	1,152,342	210,310	910,770	3,741	13,565	680,104	228,007		
1942	1,120,839	223,562	973,271	5,842	21,215	427,534	126,354		
1943	933,986	166,402	763,097	20,179	84,622	307,826	86,267		
1944	877,472	146,974	707,363	12,430	56,096	389,615	114,013		
1945	664,985	96,776	474,245	4,058	19,817	501,441	170,923		
1946	755,778	80,872	421,949	2,232	13,175	799,304	320,654		
1947	1,788,264	141,364	894,675	46,604	359,944	1,247,613	533,645		
1948	3,340,865	300,034	2,116,043	79,184	608,711	1,357,386	614,239	524	$1,872
1949	3,826,283	305,705	2,209,842	133,135	1,021,231	1,246,254	593,744	626	1,466
1950	4,343,378	342,582	2,492,367	154,597	1,156,681	1,447,101	693,761	324	569
1951	3,219,836	252,642	1,928,433	74,207	583,774	1,437 764	707.070	195	560
1952	3,112,782	234,426	1,942,307	39,839	321,911	1,495,741	848,327	85	237
Total	29,071,523	3,161,407	18,604,222	609,384	4,388,119	14,321,172	6,074,478	1,754	4,703

[1] Throughout this report, component parts may not add to the indicated totals because of negative adjustments or rounding of numbers.
[2] Include the following sections listed in order of enactment date: Sec. 203, June 27, 1934; Sec. 2 (Class 3), Feb. 3, 1938; Sec. 603, Mar. 28, 1941; Sec. 603–610, Aug. 5, 1947; Sec. 8, Apr. 20, 1950; Sec. 213 (individual home mortgage provisions), Apr. 20, 1950; Sec. 611 (individual home mortgage provisions), Apr 20, 1950; Sec. 903, Sept. 1, 1951.
[3] Include the following sections listed in order of enactment date: Sec. 207, June 27, 1934; Sec. 210, Feb. 3, 1938 (repealed June 3, 1939); Sec. 608, May 26, 1942; Sec. 608–610, Aug. 5, 1947; Sec. 611 (project mortgage provisions), Aug. 10, 1948; Sec. 803, Aug. 8, 1949; Sec. 213 (project mortgage provisions) Apr. 20, 1950; Sec. 908, Sept. 1, 1951.
[4] Sec. 2 (Classes 1 and 2), enacted June 27, 1934.
[5] Sec. 609, enacted June 30, 1947.

The total volume written in 1952 was $3.1 billion, compared with $3.2 billion in 1951. The volume of project mortgage insurance, which was greatest in 1950, declined in 1951 and again in 1952. The dollar volume of home mortgage insurance increased by about $14 million in 1952, after declining in 1951. The number of home mortgages insured in 1952 was 18 thousand less than in 1951 and over 100 thousand less than in 1950. The annual volume (net proceeds) of property improvement loan insurance has increased each year since 1949.

VOLUME OF FHA INSURANCE WRITTEN
SELECTED YEARS 1934 - 1952

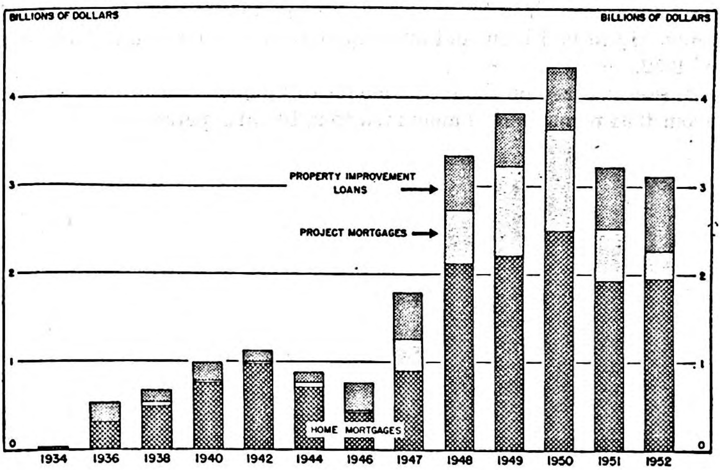

CHART 1.

Table 2 shows the volume of insurance written under the various titles and sections of the National Housing Act in 1952 and 1951, and in the 18½-year period 1934–52. Home mortgage insurance under Section 203 of Title II represents the major activity of the FHA in each of these periods, with property improvement loan insurance providing the next largest volume of insurance.

Detailed statistics of FHA home mortgage, project mortgage, and property improvement loan insurance operations appear in Section 2 of this report.

Table 3 shows as of December 31, 1952 the status of the $29.1 billion of FHA insurance written through that date. Insurance had been terminated on $10.8 billion of the total amount, leaving still in force loans and mortgages with original principal amounts aggregating $18.3 billion. The amount in force had been reduced through amortization to about $15.9 billion, which was outstanding at the year end.

Table 4 and Chart 2 show the number of new units started each year from 1935 onward under FHA inspection, and the relationship of this number to the total number of privately financed nonfarm units started in the same years as reported by the Bureau of Labor Statistics. For the 18-year period FHA units represent 30.7 percent of the total. In 1952 the proportion of FHA units was 26.2 percent, a slight increase over the 1951 proportion of 25.8 percent.

As of December 31, 1952, the FHA had acquired through foreclosure or the assignment of mortgage notes 34,206 units of housing, representing 9/10 of 1 percent of the 3,944,460 units covered by mortgage insurance since the beginning of operations. Of the acquired units, 21,615 had been sold and 12,591 remained on hand at the end of 1952.

Losses realized on the total amount of mortgage insurance written from 1934 through 1952 amounted to 2/100 of 1 percent.

TABLE 2.—*FHA insurance written by title and section, 1951, 1952, and 1934–52*

[Dollar amounts in thousands]

	1952			1951			1934-52		
	Number	Amount	Units	Number	Amount	Units	Number	Amount	Units
Title I	1,501,556	$878,435	NA	1,443,916	$735,799	NA	14,379,490	$6,260,997	NA
Section 2 property improvement loans	1,495,741	848,327	NA	1,437,737	706,963	NA	14,321,172	6,074,478	NA
Section 2 home mortgages	----	----	----	----	----	----	46,115	126,611	46,115
Section 8 home mortgages	5,815	30,108	5,815	6,179	28,836	6,179	12,203	59,908	12,203
Title II	216,109	1,936,370	241,420	245,868	2,002,184	266,605	2,463,198	15,076,278	2,640,166
Section 203 home mortgages	212,748	1,772,472	222,368	245,454	1,893,598	253,407	2,459,014	14,614,753	2,561,729
Section 207 project mortgages	67	41,843	6,043	66	33,201	4,890	[1] 536	[1] 261,394	[1] 56,835
Section 213 cooperative housing	3,294	122,055	13,009	348	75,385	8,308	3,648	200,131	21,602
Project mortgages	(59)	(91,701)	(9,774)	(35)	(72,921)	(7,995)	(100)	(167,312)	(18,054)
Home mortgages	(3,235)	(30,355)	(3,235)	(313)	(2,464)	(313)	(3,548)	(32,819)	(3,548)
Title VI	219	31,383	3,792	1,039	276,766	37,065	635,701	7,126,911	1,168,622
Section 603 home mortgages	16	109	16	40	258	40	624,587	3,644,982	689,941
Section 608 project mortgages	19	29,634	3,457	299	266,132	34,663	7,049	3,441,186	465,949
Section 609 manufactured-housing loans	85	237	85	131	560	195	590	4,703	1,754
Section 610 public housing sales	29	182	40	550	3,944	1,195	3,378	24,419	9,064
Section 603-610 home mortgages	(29)	(182)	(40)	(549)	(3,909)	(1,185)	(3,355)	(16,059)	(5,149)
Section 608-610 project mortgages	(—)	(—)	(—)	(1)	(35)	(10)	(23)	(8,360)	(3,915)
Section 611 site-fabricated housing	70	1,222	194	19	5,872	972	97	11,621	1,914
Project mortgages	(1)	(706)	(125)	(13)	(5,832)	(966)	(22)	(11,065)	(1,839)
Home mortgages	(69)	(516)	(69)	(6)	(40)	(6)	(75)	(556)	(75)
Title VIII	58	135,842	17,233	72	205,653	25,683	186	476,617	59,585
Section 803	58	135,842	17,233	72	205,653	25,683	186	476,617	59,585
Title IX	12,546	130,721	17,769	----	----	----	12,546	130,721	17,769
Section 903 home mortgages	12,510	108,535	14,562	----	----	----	12,510	108,535	14,562
Section 908 project mortgages	36	22,186	3,207	----	----	----	36	22,186	3,207
Total	1,730,488	3,112,750	NA	1,690,895	3,220,401	NA	17,491,121	29,071,523	NA

[1] All tables presenting cumulative data for Sec. 207 include 106 mortgages for $7,782,866 and 2,176 units insured under Sec. 210.

TABLE 3.—*Status of FHA insurance written as of December 31, 1952*

[Dollar amounts in thousands]

		Insurance written	Insurance terminated	Insurance in force		
				Total	Amortized (estimated)	Net outstanding
Title I:						
Section 2 property improvement loans [1]	Number of loans	14, 367, 287	10, 628, 900	3, 738, 387		
	Net proceeds	$6, 201, 089	$4, 158, 373	$2, 042, 716	$794, 247	$1, 248, 469
Section 8 home mortgages	Number of mortgages	12, 203	91	12, 112		
	Amount	$59, 908	$408	$59, 500	$1, 597	$57, 902
Title II:						
Section 203 home mortgages	Number of mortgages	2, 459, 014	1, 047, 652	1, 411, 362		
	Amount	$14, 614, 753	$4, 922, 239	$9, 692, 514	$1, 097, 610	$8, 594, 904
Section 207–210 project mortgages	Number of units	56, 835	38, 512	18, 323		
	Amount	$261, 394	$146, 016	$115, 378	$6, 200	$109, 178
Section 213 cooperative housing	Number of units	21, 602	2, 063	19, 539		
	Amount	$200, 131	$18, 854	$181, 277	$456	$180, 821
Title VI:						
Section 603 home mortgages [2]	Number of mortgages	627, 942	279, 980	347, 962		
	Amount	$3, 661, 041	$1, 370, 730	$2, 290, 311	$334, 436	$1, 955, 876
Section 608 project mortgages [3]	Number of units	469, 864	29, 170	440, 694		
	Amount	$3, 449, 545	$160, 652	$3, 288, 893	$126, 085	$3, 162, 808
Section 609 manufactured-housing loans [4]	Number of units	1, 754	1, 687	67		
	Amount	$4, 703	$4, 522	$181		$181
Section 611 site-fabricated housing	Number of units	1, 914	1, 245	669		
	Amount	$11, 621	$7, 426	$4, 194	$29	$4, 166
Title VIII:						
Section 803	Number of units	59, 585		59, 585		
	Amount	$476, 617		$476, 617	$2, 817	$473, 800
Title IX:						
Section 903 home mortgages	Number of mortgages	12, 510		12, 510		
	Amount	$108, 535		$108, 535	$496	$108, 039
Section 908 project mortgages	Number of units	3, 207		3, 207		
	Amount	$22, 186		$22, 186	$6	$22, 179
Total	Amount	$29, 071, 523	$10, 789, 221	$18, 282, 302	$2, 363, 978	$15, 918, 324

[1] Includes home mortgages insured under Sec. 2.

[2] Includes 3,355 mortgages for $16,059,100 insured under Sec. 610 provision, of which 240 mortgages in the amount of $922,850 had been terminated, leaving 3,115 mortgages for $15,136,250 in force.

[3] Includes 3,915 units (23 mortgages) for $8,359,500 insured under Sec. 610 provision, of which 970 units (5 mortgages) in the amount of $1,742,700 had been terminated, leaving 2,945 units (18 mortgages) for $6,616,800 in force.

[4] Includes 580 discounted purchasers' loans for $1,606,917, of which 553 loans in the amount of $1,525,676 had been terminated, leaving 27 loans for $81,241 in force.

TABLE 4.—*Nonfarm dwelling units started under FHA programs compared with total for United States, 1935–52*

Year	Home mortgage programs				Project mortgage programs							Total FHA units	Total U. S. nonfarm units [2]	FHA as percent of U. S. total
	Sections 2 and 8 [1]	Section 203	Section 603	Section 903	Section 207	Section 213		Section 608	Section 611	Section 803	Section 908			
						Sales type	Management type							
1935		13,226			738							13,964	215,700	6.5
1936		48,752			624							49,376	304,200	16.2
1937		56,980			3,023							60,003	332,400	18.1
1938	5,845	100,966			11,930							118,741	399,300	29.7
1939	10,783	133,874			13,462							158,119	458,400	34.5
1940	10,194	166,451			3,446							180,091	529,600	34.0
1941	9,145	180,156	27,790		3,296							220,387	619,500	35.6
1942	4,010	41,578	114,616		1,163			4,295				165,662	301,200	55.0
1943	307	338	125,474		41			10,994				146,154	183,700	79.6
1944		208	83,396					9,655				93,259	138,700	67.2
1945		17,049	21,848		200			2,062				41,159	208,100	19.8
1946		44,244	22,878		41			1,870				69,033	662,500	10.4
1947	217	20,884	157,168					50,766				229,035	845,600	27.1
1948	3,006	82,979	130,464					77,610				294,059	913,500	32.2
1949	3,261	241,559	7,806		813			109,995	100	268		363,802	988,800	36.8
1950	3,191	324,937	117		2,277	141		143,331	372	12,315		486,681	1,352,200	36.0
1951	9,357	177,435		132	4,651	1,780	5,888	39,826	1,328	23,126		263,523	1,020,100	25.8
1952	5,533	190,973		32,579	7,342	3,791	6,338	5,895	37	24,039	3,374	279,901	1,068,500	26.2
Total	64,849	1,842,589	691,557	32,711	53,047	5,712	12,226	465,299	1,837	59,748	3,374	3,232,949	10,542,000	30.7

[1] Sec. 2 activity 1938–50; Sec. 8 activity 1950–52.
[2] Total number of privately financed nonfarm dwelling units started, as reported by the Bureau of Labor Statistics.

NEW DWELLING UNITS STARTED UNDER FHA INSPECTION
AND TOTAL NUMBER OF NONFARM DWELLING UNITS STARTED*
SELECTED YEARS 1934-1952

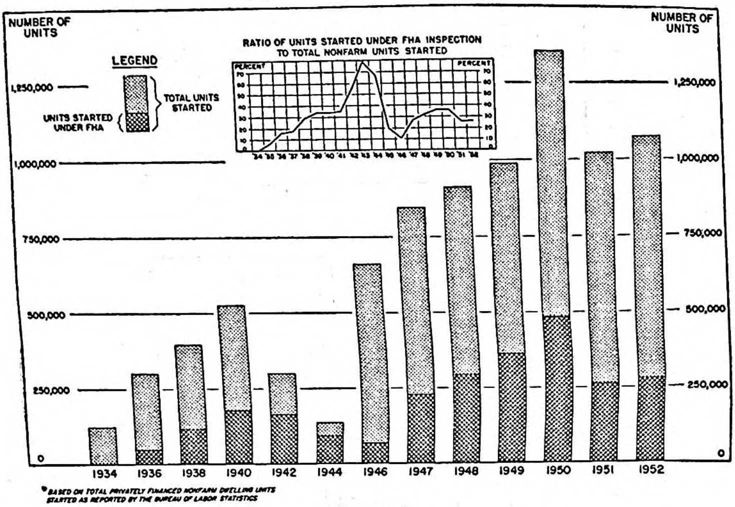

CHART 2.

Mortgage Insurance

Mortgage insurance written by the FHA in 1952 totaled $2.3 billion and involved 286 thousand units of housing. Mortgages on homes accounted for about 86 percent of the total amount and project mortgages for 14 percent. These ratios compared with 77 percent and 23 percent for 1951.

The 1952 volume was 90 percent of the amount and 85 percent of the number of units covered by insurance in 1951. Despite the decline in insurance written, there was an increase of 27 percent in the number of units covered by applications received during the year, with an increase of 38 percent in home applications more than offsetting a 26 percent decline in units covered by project applications. Beginning with June 1952, the number of new units started each month under FHA inspection exceeded the number started in the same month of 1951, and the number of units started for the entire year was more than 16,000 greater than in 1951. The number of starts in 1- to 4-family homes increased 22 percent, although the number of units started in projects was less by one-third than in 1951. The proportion of FHA starts to total nonfarm units started was also slightly higher in 1952.

The increase in application, and the upward trend in number of FHA units started in the second half of the year were affected by such factors as the ending of critical shortages of materials, the easing of credit controls in June and their virtual removal in September, a moderate improvement in the supply of mortgage money during the year, and the fact that construction costs changed less in 1952 than at any time since the Korean hostilities began in 1950.

Increased insurance activity in 1952 was most notable in cooperative housing and in defense housing. Mortgage insurance on cooperative housing under Section 213 of the Act totaled $122 million and involved 13,009 units, compared with $75.4 million and 8,308 units in 1951. Title IX of the Act, authorizing the insurance of mortgages on housing in critical defense areas, became effective with the issuance of FHA administrative rules and regulations in November 1951, and by the end of 1952 mortgages totaling $130.7 million had been insured covering 17,769 units. Most of these units were in 1- and 2-family homes financed under Section 903 of Title IX. The $900 million in FNMA funds set aside by Congress for purchasing mortgages on military and defense housing was instrumental in maintaining the volume of applications under this title in 1952.

Home Mortgages

Mortgages on homes were insured in 1952 under the following titles and sections of the Act:

Title and section	*Number of mortgages*	*Amount (thousands)*	*Number of units*
Title I: Sec. 8	5, 815	$30, 108	5, 815
Title II:			
Sec. 203	212, 748	1, 772, 472	222, 368
Sec. 213	3, 235	30, 355	3, 235
Title VI:			
Sec. 603	16	109	16
Sec. 610	29	182	40
Sec. 611	69	516	69
Title IX: Sec. 903	12, 510	108, 535	14, 562

As the comparison in Table 2 indicates, the only substantial changes from 1951 in the volume of home mortgage insurance resulted from the growth of two of the newest programs, cooperative housing under Section 213 and defense housing under Section 903. For all home mortgage programs combined, the 234,426 mortgages insured showed a slight decline from the 1951 total of 252,642, while the amount of the insured home mortgages increased slightly, aggregating $1,942,-307,000 in 1952 compared with $1,928,433,000 in 1951. (See Table 1, footnote 1.) Under Section 203, the amount of existing-home mortgages established a new record of $941,000,000.

The property requirements for low-cost homes financed under Section 8 of Title I were amended in September 1952, and no longer permit mortgage insurance on a "shell house"—that is, one without acceptable finish material on floors, interior walls, and ceilings. Painting or other final finish on walls or ceilings is not required, and the provisions with respect to location, lot area, planning, and lot improvements remain less restrictive than those under Section 203 of Title II. The opportunity for the owner to increase his equity in the property by putting on finishing details and adding other improvements through his own labor, thereby enhancing the value of the security while the mortgage is being amortized, continues to be an important element of this type of mortgage financing.

Rental and Cooperative Projects

Mortgages totaling $322 million on 240 rental and cooperative projects that included 39,839 units of housing were insured in 1952 under the following titles and sections of the National Housing Act:

Title and section	*Number of mortgages*	*Amount (thousands)*	*Number of units*
Title II:			
Sec. 207	67	$41, 843	6, 043
Sec. 213	59	91, 701	9, 774
Title VI:			
Sec. 608	19	29, 634	3, 457
Sec. 611	1	706	125
Title VIII: Sec. 803	58	135, 842	17, 233
Title IX: Sec. 908	36	22, 186	3, 207

The aggregate volume of project mortgage insurance in 1952 was considerably less than the $584 million insured the previous year on 486 projects with 74,207 units. (See Table 2.) The chief reason for the decrease was the cessation of veterans' housing insurance activity under Section 608. The 19 Section 608 mortgages totaling $29.6 million insured in 1952 compared with 299 mortgages amounting to $266 million on 34,663 units insured in 1951. Mortgages on new construction insured under this section were limited by the Act to those on which applications had been received on or before March 1, 1950. In 1951 the FHA adopted a policy of terminating the program as promptly as possible and in 1952 the last remaining commitments were disposed of. All projects under the Section 608 program have now been placed under construction.

The 1952 increase of activity in rental housing insurance under Section 207 and cooperative housing insurance under Section 213, together with insurance under the new Section 908 defense housing program, was more than offset by the decline in the volume of Section 608 rental housing insurance. There were decreases also in the number and amount of site-fabrication project mortgages insured under Section 611 and mortgages on military housing insured under Section 803. No project mortgages financing sales of public housing under Section 610 were insured during the year.

The greatest increase in 1952 in volume of project mortgages insured occurred under Section 213. Insurance under this section since its enactment in April 1950 totals $167 million on 100 projects with 18,054 units. Over 3,500 single-family homes constructed as part of sales-type cooperative projects have been released from the blanket project mortgages and reinsured under Section 213 with mortgages aggregating nearly $33 million.

Through 1952, no applications had been received under the provisions of Title VII, which was enacted in 1948 to provide for the insurance of a minimum amortization charge and an annual return on outstanding investments in debt-free rental projects.

Prefabricated Housing

No loans to manufacturers of prefabricated housing were insured in 1952 under the provisions of Section 609 of the National Housing Act. One preliminary application was received but was rejected.

From the enactment of this section of the Act in 1947 to the end of 1952, ten loans to manufacturers, involving 1,174 units, were insured in the total amount of $3,096,482. As of December 31, 1952, seven loans had been repaid, one was outstanding, and debentures had been issued on the remaining two under the terms of the insurance contracts. Purchasers' notes insured in 1952 totaled 85 and amounted to $262,346, bringing the total notes insured since 1947 to 580 with an aggregate amount of $1,606,917.

Property Improvement Loans

In 1952 FHA Title I insurance covered nearly 1.5 million loans made by private lending institutions to owners of homes, farms, and other properties to finance needed repairs or improvements. The greater number of the loans were for structural alterations, heating and plumbing installations, insulating, and measures to preserve roofs and outside walls of buildings. Other maintenance work such as interior decorating, weatherstripping, and landscaping was also financed.

Scope of Property Improvement Program

Under authority contained in Section 2 of Title I of the National Housing Act, the Federal Housing Administration insures qualified lending institutions against loss on the following classes of loans:

Type of loan	Type of improvement	Maximum maturity	Maximum amount	Maximum financing charge
Class 1 (a)	Repair, alteration, or improvement of an existing structure.	3 years 32 days	$2,500	$5 discount per $100 per year.
Class 1 (b)	Alteration, repair, improvement, or conversion of an existing structure used or to be used as an apartment house or a dwelling for two or more families.	7 years 32 days	10,000	$5 discount per $100 per year if $2,500 or less, $4 discount per $100 if in excess of $2,500.
Class 2 (a)	Construction of a new structure to be used exclusively for other than residential or agricultural purposes.	3 years 32 days	3,000	$5 discount per $100 per year.
Class 2 (b)	Construction of a new structure to be used in whole or in part for agricultural purposes, exclusive of residential purposes.	7 years 32 days. If secured by first lien, 15 years 32 days.	3,000	$5 discount per $100 per year, $3.50 discount per $100 if maturity is in excess of 7 years 32 days.

Application for a Title I insured loan is made to a lending institution direct or through a contractor or dealer. The lending institution is responsible for approving the applicant's credit and for using prudent judgment in making the loan. When the loan is originated through a contractor or dealer it is the responsibility of the lending institution to establish to its satisfaction that the dealer is reliable, financially responsible, and qualified to perform satisfactorily the work to be financed and to extend proper service to the customer.

Lending institutions sustaining losses are reimbursed for eligible claims in accordance with the following insurance plan. For 30 months after the issuance of a contract of insurance to an individual lending institution, an insurance reserve to cover possible claims is accumulated at the rate of 10 percent of the aggregate net proceeds of loans insured, less any claims paid. On the January 1 or July 1 next following the completion of this 30-month period, and at the beginning of each subsequent semiannual period, the reserve for each lending institution is adjusted by carrying forward four-fifths of its unused reserve outstanding on each such date according to the records of the FHA Commissioner. The payment of any eligible claim to an insured institution is limited to the balance of the unused reserve of the institution.

The Housing Act of 1950 set the FHA Commissioner's maximum insurance authorization, with respect to property improvement loan balances outstanding at any one time, at $1.25 billion. The statutory limitation was approached early in September 1952. Thereafter the

FHA continued to accept loan reports and to process them for insurance recordation during the remaining months of the year at the rate of approximately $75 million per month, this being the estimated rate of amortization and prepayment of insured loans outstanding. The volume of new business exceeded the rate of liquidation to such an extent that by the end of the year there were on hand but not processed for insurance recordation approximately 260,000 loan reports for a dollar volume of more than $175 million.

FHA regulations were amended as of March 24, 1952 to eliminate the requirement for a 10 percent cash down payment that had been in effect since August 1, 1950. This action was taken concurrently with the action of the Federal Reserve Board in eliminating the downpayment requirement under Regulation W on property improvement loans. The down payment was originally imposed as a measure to assist in curbing inflationary tendencies and to make available more materials for defense purposes.

The FHA has collected an insurance premium on all property improvement loans insured since July 1, 1939. Operations of the program since that time have been self-supporting, with income from premiums adequate to meet operating expenses and payment of claims, after allowing for recoveries on claims paid, without cost to the taxpayer.

Insurance Operations

During 1952, Title I insurance covered 1,496,000 property improvement loans representing $848,327,000 in net proceeds. In dollar amount this was an increase of 20 percent over the volume for the year 1951. The increase refers only to tabulated figures and does not take into consideration the backlog of unprocessed loan reports amounting to approximately $175 million on hand at the end of the year. Since 1934, when Title I property improvement loans were first made, 14,321,000 loans with net proceeds of over $6.0 billion have been insured.

At the close of 1952, there were about 9,700 financial sources for these loans, including 6,800 main offices and 2,900 branches. Of the 6,800 lending institutions insured, 4,900 (excluding branches) were active at the end of 1952—an increase of 400 over the comparable number at the end of 1951.

Claims and Recoveries

In 1952, the FHA paid 33,265 claims amounting to $11,524,000, a decrease of 4.7 percent from the 1951 dollar amount. This brought the year-end cumulative volume of claims paid to $132.7 million, or 2.18 percent of the total net proceeds of all insured loans, as compared with

2.32 percent at the end of 1951. FHA recoveries, actual and anticipated, from both notes and security assigned as a result of these claims, amount to $66.7 million, leaving unrecoverable paid claims of $66.0 million. The estimated unrecoverable amount is only 1.09 percent of the net proceeds of all insured loans.

After a claim on a defaulted note is paid, the FHA makes every effort to effect collection of the obligation. This is done by correspondence, by personal contact with the debtor through the staff of the FHA field office, and by reference of the case to the Department of Justice for legal action when such a course is deemed advisable. If all efforts fail, the case is held in suspense as uncollectible, although periodic attempts at collection on such accounts result in some recoveries.

Total cash recoveries made in 1952 amounted to $7.5 million, representing an increase of 10 percent over recoveries for 1951. This recovery is the largest reported for any year in FHA history.

Financial Position

At June 30, 1952, the Federal Housing Administration had capital and statutory reserves of $327,093,164. Of this amount, the Government had contributed $68,497,433 and the remaining $258,595,731 had been built up from income. The Government contribution consisted of $24,000,000 paid-in surplus ($10,000,000 allocation to the Mutual Mortgage Insurance Fund, $5,000,000 to the War Housing Insurance Fund, $1,000,000 to the Housing Investment Insurance Fund, $5,000,000 to the Military Housing Insurance Fund, $1,000,000 from the Mutual Mortgage Insurance Fund to establish the Housing Insurance Fund, $1,000,000 from the Title I Insurance Fund to establish the Title I Housing Insurance Fund, and $1,000,000 from the War Housing Insurance Fund to establish the National Defense Housing Insurance Fund) and $44,497,433 in the form of appropriations for operating expenses and Title I claims in periods prior to the time that such expenditures could be met from FHA income.

The capital and statutory reserves of each fund as of June 30, 1952 are given below:

Title I Insurance Fund	$22, 528, 274
Title I Housing Insurance Fund	872, 618
Mutual Mortgage Insurance Fund	176, 836, 416
Housing Insurance Fund	5, 497, 496
War Housing Insurance Fund	109, 853, 179
Housing Investment Insurance Fund	988, 344
Military Housing Insurance Fund	9, 515, 770
National Defense Housing Insurance Fund	1, 001, 067
	327, 093, 164

From the establishment of the Federal Housing Administration in 1934 through June 30, 1952, gross income from fees, insurance premiums, and income on investments totaled $642,259,053, while operating expenses for the same period amounted to $283,252,643. Expenses of administration during the first three fiscal years, 1935 through 1937, were met from funds advanced through the Reconstruction Finance Corporation by the United States Treasury. During the following three fiscal years, 1938 through 1940, partial payments of operating expenses were met from income. Since July 1, 1940, FHA operating expenses have been paid in total by allocation from its insurance funds.

Gross income during the fiscal year 1952 under all insurance operations of the FHA totaled $103,021,039. Expenses of administering the agency during the fiscal year 1952 amounted to $30,485,827, leaving an excess of gross income over operating expenses of $72,535,212 to be added to the various insurance funds.

Property Management

All properties acquired by the Federal Housing Commissioner under the terms of mortgage insurance contracts are managed and sold under the supervision of the Property Management Division of the FHA in compliance with general policies established by the Commissioner. No sale of a rental project or a group of houses may be concluded without the specific concurrence of the Commissioner.

It is the policy of the FHA not to sell acquired home properties in bulk, but instead to place them in good condition and to return them at fair prices in the going market, without speculative mark-up, to the home-ownership use for which they were originally produced. The agency utilizes the facilities of qualified local real estate brokers to manage and sell 1- to 4-family properties through established retail channels. The services of these brokers are always obtained in accordance with the applicable statute requiring competitive bidding whenever the potential compensation will exceed $1,000.

The FHA rehabilitates acquired rental project properties to the extent necessary to enable them to compete in the rental market, and operates them until the income is stabilized. Although a local real estate broker is engaged to act as managing agent for such a property, the marketing of the property is handled independently of a broker as a direct transaction between the Government and the purchaser. The sale is publicized in advance through advertisements stating minimum prices and terms, and is sold to the qualified operator whose offer meets the minimums and is most advantageous.

The FHA began 1952 with an on-hand inventory of 1,517 1- to 4-family homes and 44 rental developments having a total of 5,079 units.

During the year, 941 1- to 4-family properties were acquired and 1,111 were sold, leaving the inventory at the end of the year at 1,347 properties. Acquisition of 22 rental developments consisting of 1,723 units and the sale of 2 developments totaling 28 units resulted in an inventory of 64 developments totaling 6,774 units, at the end of 1952.

Technical Studies

The FHA constantly strives for greater efficiency and economy in its operations, and for improved quality of service. Continual training programs are carried on for its technical employees. Conferences are held with other groups within and outside the Government for cooperation in solving local and national housing problems, to effect improvements in building standards, and to plan conservation in the use of critical materials.

As part of its underwriting procedure, the FHA analyzes proposed special methods of construction and investigates the acceptability of new materials or uses of materials, and unusual structural problems. Special technical studies made in 1952 included the continuation of a program begun in 1951 to determine the effect of airports on the value of adjacent residential properties. A survey and analysis of FHA field office recommendations with respect to minimum room-size requirements was undertaken to obtain uniformity in the application of these requirements under various sections of the Act.

Considerable progress was made during the year in making minimum property requirements in FHA field offices more nearly uniform. This program includes improvement in the requirements and reduction in the number of separate sets of requirements for the various insuring office jurisdictions.

Organization and Personnel

There were 5,230 FHA employees at the beginning of 1952 and 5,443 at the end of the year. The number during the year averaged about 5,330, of whom 3,923, or about 74 percent, served in the field offices. The remaining 26 percent were divided among the insuring, realty, fiscal, and liquidation operations carried on centrally in Washington, and the administrative services and other management staff functions necessary in the Washington headquarters office to support, direct, and control the operating program.

In 1952, 943 per-annum employees were appointed and there were 730 separations. The annual turnover rate was approximately

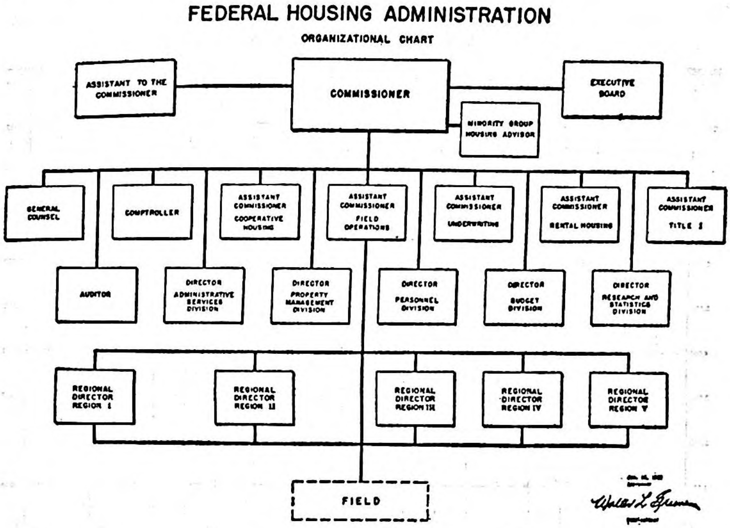

CHART 3.

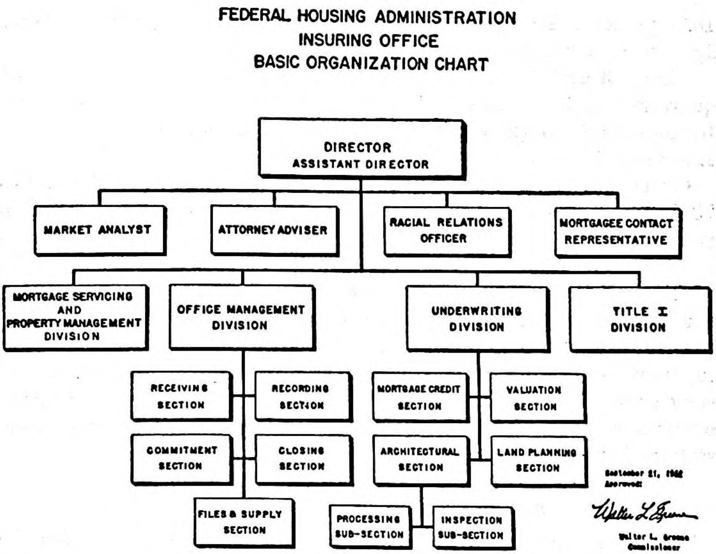

CHART 4.

FEDERAL HOUSING ADMINISTRATION
PER ANNUM EMPLOYEES
BY MONTHS, 1934-1952

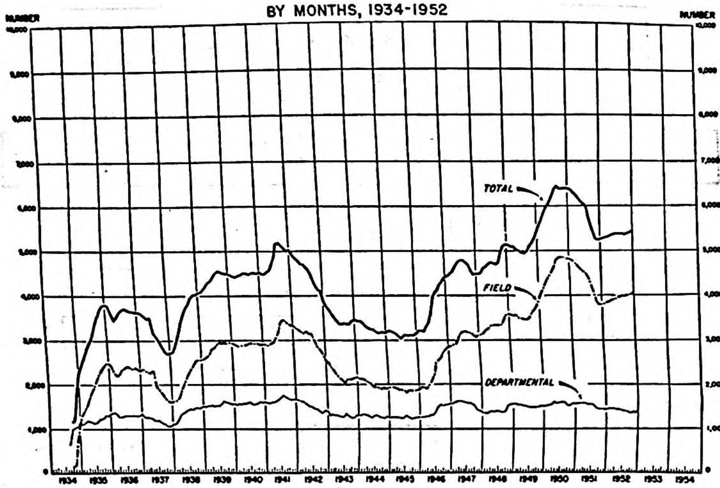

CHART 5

13.70 percent. During the year, 1,138 employees received promotions, 1,670 were reassigned, and 76 received demotions.

Charts 3 and 4 show the organization of the Washington headquarters and field offices, and Chart 5 reflects per-annum employment by months from the establishment of the agency in 1934 through December 1952.

On December 31, 1952, the field organization included 137 offices—73 insuring offices, which receive and completely process applications for mortgage insurance; 21 service offices, which receive applications for mortgage insurance and process them for submission to insuring offices for review, issuance of commitments, and endorsements for insurance; and 43 valuation stations, where technical personnel prepare architectural and valuation reports for the insuring offices in their respective areas. The total number of field offices was the same at the end of 1952 as at the end of 1951, the number of insuring offices having increased by one in 1952, and the number of valuation stations having decreased by one.

Management Improvement Program

The management improvement program of the Federal Housing Administration contemplates a continuing review of the objectives of the FHA program in relation to shifting budgetary, legislative, and economic conditions, in order to attain the most efficient use of manpower, equipment, and materials. Under this program many procedures and forms have been simplified, consolidated, or eliminated, and various organizational structures have been revised.

Examples of measurable monetary savings realized in the fiscal year 1952 through management improvement activities include the following:

Records management activities have produced savings in excess of $80,000.

Annual recurring savings of over $23,000 have resulted from a management improvement program covering all FHA communications facilities.

A space utilization program in the national headquarters office and the field offices has resulted in savings of more than $65,000 per annum.

Every headquarters division and nearly all field offices have actively participated in the management improvement program and have achieved substantial improvements in increased production, improved quality of performance, or monetary savings. Evidence of the widespread interest in the program on the part of FHA employees is seen in the fact that during the fiscal year 20 cash awards totaling $4,719.11 were made to individual employees, and 30 other employees were granted increases in salary for outstanding performance, superior accomplishment, or employee suggestions.

Publications

The following are the principal new or revised FHA publications issued in 1952. Unless otherwise indicated, they can be obtained, without charge, from the Federal Housing Administration, Washington 25, D. C.

Administrative Rules and Regulations under Section 8 of the National Housing Act.—FHA Form No. 2000, reprinted September 1952, to include all amendments through September 4, 1952.

Administrative Rules and Regulations under Section 203 of the National Housing Act.—FHA Form No. 2010, revised January 30, 1952.

Administrative Rules and Regulations under Section 207 of the National Housing Act.—FHA Form No. 2012, reprinted May 1, 1952, to include all amendments through May 1, 1952.

Annual Report.—Eighteenth annual report of the Federal Housing Administration; year ending December 31, 1951. Government Printing Office, Washington 25, D. C. 45 cents.

Federal Housing Administration Digest of Insurable Loans.—Revised October 1952.

FHA Homes in Standard Metropolitan Areas, 1950.—A series of six booklets each of which contains data for the Standard Metropolitan Areas in one or two of the nine Geographic Divisions defined by the Bureau of the Census in 1950. Issued in 1952.

FHA Underwriting Manual.—FHA Form No. 2049, revised January 1952. Government Printing Office, Washington 25, D. C. $2.25.

Insured Mortgage Portfolio (issued quarterly).—Vol. 16, Nos. 3 and 4; Vol. 17, Nos. 1 and 2. Government Printing Office, Washington 25, D. C. Single copy 15 cents, annual subscription 50 cents.

Minimum Requirements for Title I Insured Mortgages under Section 8 of the National Housing Act.—FH Form No. 810, revised September 1952.

Mortgagees' Handbook.—FHA Form No. 2534, revised July 1952. Government Printing Office, Washington 25, D. C. $1.50.

Oklahoma Cooperative Housing Story, The.—Issued January 1952.

Planning Cooperative Housing Projects.—Issued July 1952.

Property Improvement Loans under Title I of the National Housing Act, Regulations Governing Class 1 and 2 Loans.—FH-20, revised April 1, 1952, including all amendments to March 24, 1952.

Settlement of Claims under Title I of the National Housing Act (Tables for Use in the Computation of Claims).—FH-33, revised 1952.

Section 2

STATISTICS OF INSURING OPERATIONS

This section of the report is devoted to a more detailed analysis of FHA operations during 1952, dealing with such subjects as the geographical distribution of the year's activity, types of financial institutions participating in the various programs, termination and foreclosure experience, and selected characteristics of the insured mortgage and loan transactions.

FHA's 1952 operations under the several titles and sections of the National Housing Act fell into three principal groups:

(1) Home mortgage insurance under Section 8 of Title I, Sections 203 and 213 of Title II, Sections 603, 603–610, and 611 of Title VI, and Section 903 of Title IX.

(2) Project mortgage insurance under Sections 207 and 213 of Title II, Sections 608, 608–610, and 611[1] of Title VI, Section 803 of Title VIII, and Section 908 of Title IX.

(3) Property improvement loan insurance under Section 2 of Title I.

In addition, a limited amount of activity was reported under the Section 609 program for the insurance of loans to finance the production and marketing of prefabricated housing. No insurance was reported during the year under the rental housing yield insurance provisions of Title VII, although insuring offices indicated some tentative planning in this type of venture on the part of prospective sponsors.

The relative importance of the three principal types of FHA programs is shown in the following table on the basis of the dollar volume of insurance written during 1952 and cumulatively from 1934 through 1952:

Type of insurance	Year 1952		1934-52	
	Billions of dollars	Percent	Billions of dollars	Percent
Home mortgages	$1.9	61	$18.6	64
Project mortgages	.3	10	4.4	15
Property improvement loans	.9	29	6.1	21
Total	3.1	100	29.1	100

As the table shows, FHA insured some $3.1 billion of loans and mortgages in 1952. Of this amount, 61 percent was in home mortgages, 29

[1] Section 611 project mortgages were classified as home mortgages in prior annual reports.

percent in property improvement loans, and 10 percent in project mortgages. On a cumulative basis the proportions are slightly different, primarily because of the very large volume of project mortgage insurance written during the period 1948–50.

Compared with 1951, the 1952 dollar volume of home mortgages insured remained virtually unchanged although the number of dwelling units involved declined by 6 percent, the aggregate amount of project mortgages insured declined by nearly one-half, and the amount of insured property improvement loans rose by one-fifth. As a result of these changes, the total for all programs combined decreased by about 3 percent—from $3.2 billion in 1951 to $3.1 billion in 1952.

FHA's operating workload in 1952, however, was significantly higher than in 1951. This is evident in the following table, which shows the number of dwelling units covered by applications received, commitments issued, and construction started in each of the last 2 years:

	Thousands of units		Percent change
	1952	1951	
Applications	529	417	+27
Commitments	456	359	+27
Starts	280	264	+6

The time interval between the processing operations and the date of insurance, especially for home mortgages, accounts for the delay in the rise of insurance volume. For this reason also, the volume of insurance written by FHA does not always measure the agency's current workload. In addition to this circumstance, several special factors influenced the 1952 workload. Among these were credit controls (partially relaxed in June and almost completely suspended in September), the controlled materials program, intense competition for mortgage money, the entry of a substantial number of rental units into the market, and the near exhaustion of the Title I authorization for property improvement loans. These will be discussed in more detail in subsequent portions of this analysis.

In the preceding section of this report, data on the annual and cumulative volumes of FHA insurance were summarized on a national basis. State distributions of the annual and cumulative volume of this insurance, based on the location of the properties involved, are presented in Tables 5 and 6.

TABLE 5.—*Volume of FHA-insured mortgages and loans, by State location of property, 1952*

[Dollar amounts in thousands]

State	Total	Home mortgages		Project mortgages		Property improvement loans	
	Amount	Number	Amount	Units	Amount	Number	Net proceeds
Alabama	$35,819	2,441	$20,089	606	$4,353	23,299	$11,377
Arizona	53,854	5,614	41,296	680	5,135	12,382	7,423
Arkansas	27,942	2,552	19,215	341	2,994	9,495	5,732
California	457,508	34,118	299,295	6,820	58,024	206,260	100,189
Colorado	39,945	3,284	28,739	264	1,980	17,173	9,226
Connecticut	38,805	3,056	26,787	862	6,994	7,999	5,024
Delaware	2,894	328	2,658	----------	----------	350	236
District of Columbia	6,410	190	1,973	----------	----------	8,143	4,437
Florida	77,210	6,602	50,976	664	5,396	33,316	20,838
Georgia	61,042	4,966	42,565	886	7,033	21,452	11,444
Idaho	19,606	1,725	13,931	----------	----------	8,900	5,675
Illinois	135,056	7,241	64,959	1,760	14,330	88,990	55,768
Indiana	86,852	7,004	56,249	523	3,774	49,311	26,830
Iowa	30,554	2,450	20,103	24	175	18,045	10,276
Kansas	71,179	7,433	62,154	87	746	15,494	8,279
Kentucky	35,382	2,920	23,244	476	3,780	15,431	8,358
Louisiana	42,281	3,806	31,788	148	1,333	15,579	9,160
Maine	8,586	837	5,782	----------	----------	5,767	2,803
Maryland	44,795	2,608	21,579	718	5,909	37,480	17,307
Massachusetts	25,050	1,077	8,350	101	927	27,839	15,773
Michigan	193,622	15,224	126,291	266	2,425	124,010	64,906
Minnesota	36,712	1,929	17,490	----------	----------	34,313	19,223
Mississippi	18,040	1,736	12,320	140	1,125	8,347	4,594
Missouri	76,707	6,798	57,695	170	1,099	35,932	17,913
Montana	13,992	1,037	8,594	400	3,177	3,418	2,221
Nebraska	28,582	3,031	24,113	----------	----------	7,491	4,469
Nevada	8,541	849	7,021	----------	----------	1,716	1,520
New Hampshire	3,457	271	1,879	----------	----------	3,016	1,578
New Jersey	91,371	4,971	38,862	2,828	22,511	39,077	29,998
New Mexico	21,818	2,171	16,817	235	2,026	4,640	2,976
New York	224,832	6,942	57,466	7,117	64,264	148,486	103,102
North Carolina	38,865	2,676	20,789	1,588	11,492	11,700	6,585
North Dakota	5,253	420	3,739	----------	----------	2,559	1,514
Ohio	171,969	13,056	116,970	1,232	10,607	81,820	44,393
Oklahoma	49,412	4,182	33,696	497	3,727	21,594	11,990
Oregon	58,404	5,714	45,657	32	225	22,226	12,522
Pennsylvania	129,004	11,896	92,012	311	2,113	61,174	34,880
Rhode Island	5,865	438	3,769	52	421	3,013	1,674
South Carolina	36,540	3,887	30,841	135	997	7,846	4,702
South Dakota	11,449	1,121	9,417	12	63	3,051	1,969
Tennessee	46,359	3,698	29,072	379	2,310	30,507	14,977
Texas	199,644	17,073	130,844	965	6,514	114,360	62,286
Utah	36,894	2,293	20,158	750	6,199	17,785	10,537
Vermont	1,757	163	1,252	----------	----------	937	505
Virginia	86,792	5,785	47,939	4,265	26,305	23,116	12,548
Washington	120,469	10,514	86,742	1,700	13,505	34,601	20,221
West Virginia	15,474	1,285	10,513	----------	----------	8,061	4,962
Wisconsin	25,256	1,672	15,475	46	271	14,357	9,510
Wyoming	8,069	851	7,226	----------	----------	1,101	843
Alaska	8,600	164	2,596	386	5,729	330	275
Guam	13	2	13	----------	----------	----------	----------
Hawaii	26,026	1,739	17,935	962	7,796	372	295
Puerto Rico	15,284	883	7,985	575	4,725	2,472	2,573
Virgin Islands	14	2	14	----------	----------	----------	----------
Total [1]	[2] 3,116,092	234,729	1,944,964	39,839	321,911	1,495,741	848,327

[1] Based on cases tabulated in 1952, including adjustments not distributed by States.
[2] Includes $236,646 in loans insured under Sec. 609 not distributed by States.

TABLE 6.—*Volume of FHA-insured mortgages and loans by State location of property, 1934–52*

[Dollar amounts in thousands]

State	Total	Home mortgages		Project mortgages		Property improvement loans	
	Amount	Number	Amount	Units	Amount	Number	Net proceeds
Alabama	$354, 039	36, 699	$207, 729	11, 814	$71, 415	214, 148	$74, 895
Arizona	276, 025	36, 959	216, 495	2, 352	15, 474	93, 670	44, 056
Arkansas	220, 271	31, 833	170, 426	1, 634	11, 258	99, 306	38, 588
California	3, 998, 773	526, 138	3, 078, 689	39, 043	276, 525	1, 692, 017	643, 559
Colorado	284, 494	36, 425	218, 343	2, 995	21, 438	112, 886	44, 713
Connecticut	312, 146	32, 560	212, 000	4, 203	30, 083	159, 279	70, 063
Delaware	72, 642	6, 338	36, 890	4, 048	29, 430	14, 247	6, 322
District of Columbia	226, 845	6, 648	48, 270	21, 102	142, 787	75, 876	35, 787
Florida	785, 009	92, 519	559, 466	14, 837	103, 173	256, 418	122, 371
Georgia	517, 234	51, 350	292, 409	22, 307	153, 199	185, 288	71, 625
Idaho	138, 848	16, 840	98, 283	571	4, 573	78, 631	35, 992
Illinois	1, 472, 376	143, 378	900, 501	22, 304	175, 849	888, 682	396, 024
Indiana	811, 615	103, 140	572, 296	7, 341	54, 129	496, 470	185, 190
Iowa	250, 752	27, 735	157, 007	1, 763	13, 689	198, 673	80, 055
Kansas	408, 102	56, 175	334, 938	4, 418	28, 145	126, 864	45, 018
Kentucky	279, 765	30, 535	182, 554	5, 569	40, 032	151, 535	57, 179
Louisiana	451, 749	52, 941	338, 537	8, 651	64, 021	128, 181	49, 191
Maine	73, 423	9, 309	45, 730	688	2, 913	59, 459	24, 781
Maryland	682, 784	49, 119	289, 579	41, 633	282, 281	276, 828	110, 923
Massachusetts	298, 962	18, 053	105, 278	4, 290	32, 834	381, 612	160, 850
Michigan	1, 796, 819	210, 980	1, 254, 512	9, 461	67, 098	1, 195, 327	475, 209
Minnesota	350, 789	30, 315	180, 566	6, 232	45, 695	315, 387	124, 529
Mississippi	172, 531	23, 190	117, 925	2, 722	16, 962	96, 280	37, 644
Missouri	696, 066	79, 985	483, 989	11, 169	80, 623	367, 383	131, 454
Montana	79, 388	10, 262	56, 645	727	5, 216	36, 492	17, 527
Nebraska	217, 841	29, 103	165, 851	2, 468	18, 368	82, 095	33, 622
Nevada	67, 066	7, 696	52, 130	641	4, 966	18, 433	9, 971
New Hampshire	39, 282	4, 313	21, 544	244	1, 672	37, 782	16, 066
New Jersey	1, 410, 465	125, 097	724, 511	56, 026	407, 285	531, 687	278, 669
New Mexico	145, 456	17, 942	113, 535	2, 072	17, 730	27, 000	14, 191
New York	2, 779, 266	158, 042	998, 296	111, 476	900, 590	1, 569, 767	880, 380
North Carolina	374, 724	37, 559	219, 874	17, 305	105, 714	123, 797	49, 136
North Dakota	29, 299	2, 850	17, 376	43	268	26, 771	11, 656
Ohio	1, 388, 331	148, 281	918, 844	19, 079	140, 149	857, 289	329, 338
Oklahoma	553, 681	77, 659	446, 435	4, 414	32, 077	198, 662	75, 169
Oregon	386, 961	44, 380	269, 506	5, 321	38, 869	188, 323	78, 586
Pennsylvania	1, 438, 043	166, 140	926, 021	23, 302	174, 802	818, 700	337, 220
Rhode Island	62, 022	6, 373	35, 706	298	2, 054	57, 331	24, 262
South Carolina	226, 088	29, 663	155, 029	7, 204	44, 813	67, 730	26, 246
South Dakota	69, 995	9, 793	53, 339	729	5, 573	23, 980	11, 093
Tennessee	486, 129	59, 044	332, 975	9, 356	54, 766	277, 725	98, 388
Texas	1, 587, 419	199, 705	1, 111, 341	27, 870	189, 556	714, 302	236, 522
Utah	245, 093	30, 275	179, 417	1, 499	11, 765	131, 776	53, 912
Vermont	27, 433	3, 866	18, 238	193	1, 512	17, 493	7, 682
Virginia	760, 464	71, 635	419, 462	41, 382	260, 881	181, 587	80, 120
Washington	953, 182	127, 492	738, 882	9, 782	75, 441	343, 417	138, 858
West Virginia	152, 573	21, 376	118, 440	783	3, 490	66, 738	30, 643
Wisconsin	295, 874	27, 489	172, 055	4, 087	32, 521	214, 169	91, 298
Wyoming	65, 437	10, 456	53, 230	571	4, 451	14, 070	7, 756
Alaska	52, 397	1, 102	10, 159	3, 583	41, 553	755	634
Guam	13	2	13	-----	-----	-----	-----
Hawaii	85, 901	8, 314	69, 540	2, 167	15, 411	1, 637	950
Puerto Rico	136, 520	13, 383	83, 366	5, 522	33, 000	26, 194	20, 155
Virgin Islands	77	9	77	-----	-----	-----	-----
Total [1]	[2] 29, 053, 182	3, 158, 338	18, 583, 817	609, 384	4, 388, 119	14, 321, 172	6, 074, 478

[1] Based on cases tabulated through 1952, including adjustments not distributed by States.
[2] Includes $4,703,399 in loans insured under Sec. 609 not distributed by States.

The participation of the major types of lending institutions in the financing of FHA-insured loans and mortgages in 1952 is shown in the following table.[2]

[2] Data based on reports tabulated in Washington. Totals may not agree with components due to rounding and, in the case of project mortgages, amendments of mortgages insured in previous years. "State banks" include savings banks and, in the case of property improvement loans, industrial banks.

Type of institution	Total		Home mortgages	Project mortgages	Property improvement loans
	Amount	Percent			
	Dollar amounts in thousands				
National bank	$917,784	29.8	$418,178	$57,472	$442,13
State bank	806,306	26.1	374,575	172,869	258,862
Mortgage company	684,259	22.2	647,830	31,293	5,136
Insurance company	308,701	10.0	266,851	41,781	69
Savings and loan association	224,903	7.3	169,842	978	54,083
Finance company	90,378	2.9	206	2,312	87,860
Other	51,851	1.7	36,586	15,082	183
Total	3,084,305	100.0	1,914,067	321,911	848,327

As will be pointed out in more detail later, the participation of the different types of institutions varied markedly from program to program.

Home Mortgage Insurance

In 1952, FHA insured home mortgages under seven sections of the National Housing Act: Section 8 of Title I, Sections 203 and 213 of Title II, Sections 603, 603–610, and 611 of Title VI, and Section 903 of Title IX. Properties securing mortgages insured under Section 8 or reinsured under the home mortgage provisions of Sections 213 or 611 after release from a blanket mortgage are limited to a single living unit; those securing mortgages insured under Section 903 may include not more than 2 units; while properties covered by mortgages insured under Section 203 or under the basic provisions of Section 603 may contain as many as 4 living units. In addition, home mortgages financing the sale of certain publicly owned housing involving 1- t 7-family dwellings may be insured under Section 603 pursuant to th provisions of Section 610.

Volume of Business

Although the 1952 amount of FHA-insured home mortgages was slightly above the 1951 volume, the number of dwelling units involved declined by about 6 percent, reflecting an increase in the average mortgage amount per unit from $7,400 to $7,900.

The volume of new-home mortgages insured during the year declined—by one-fifth in aggregate amount and by one-fourth in the number of family units—to the lowest level since 1947, while insurance of existing-home mortgages reached the highest dollar volume in FHA history, 37 percent over 1951, with the number of units involved increasing by 24 percent. (Table 7 and Chart 6.) The average amount of mortgage per unit was about the same for both new and existing homes—nearly $7,900. In comparison with the 1951 averages, this represented increases of $400 and $700 for new- and existing-home mortgages, respectively.

Table 7.—*Home mortgages insured by FHA, 1935–52*

[Dollar amounts in thousands]

Year	Grand total[1]		Total new construction		Total existing construction		New construction							
							Secs. 2 and 8[2]		Sec. 203		Sec. 603		Sec. 903	
	Units	Amount	Units	Amount	Units	Amount	Units	Amount	Units	Amount	Units	Amount	Units	Amount
1935–39	513,615	$2,007,777	235,391	$1,012,500	278,224	$995,187	16,628	$37,914	218,763	$974,676	------	------	------	------
1940–44	981,388	4,116,585	738,051	3,117,345	243,337	999,240	22,373	61,888	399,467	1,792,224	316,211	$1,263,233	------	------
1945–49	979,451	6,116,754	540,396	3,603,452	439,055	2,513,302	5,591	20,452	187,002	1,324,183	347,803	2,258,816	------	------
1950	351,528	2,492,367	225,269	1,636,678	126,259	855,690	1,759	7,428	221,381	1,613,725	2,129	15,525	------	------
1951	261,231	1,928,433	161,673	1,215,535	99,558	712,898	6,106	28,514	155,416	1,187,402	23	184	------	------
1952	246,109	1,942,307	122,764	968,613	123,345	973,694	5,615	29,112	102,695	831,748	------	------	14,449	$107,716
Total	3,333,322	18,604,222	2,023,544	11,554,212	1,300,778	7,050,010	58,072	185,308	1,284,724	7,723,958	666,290	3,537,230	14,449	107,716

Year	Existing or refinanced construction													
	Sec. 8		Sec. 203		Sec. 213		Sec. 603		Sec. 603–610		Sec. 611		Sec. 903	
	Units	Amount	Units	Amount	Units	Amount	Units	Amount	Units	Amount	Units	Amount	Units	Amount
1935–39	------	------	278,224	$995,187	------	------	------	------	------	------	------	------	------	------
1940–44	------	------	236,737	973,301	------	------	6,600	$25,939	------	------	------	------	------	------
1945–49	------	------	419,194	2,423,058	------	------	16,874	81,155	2,987	$9,089	------	------	------	------
1950	------	------	125,186	852,330	------	------	136	481	937	2,880	------	------	------	------
1951	46	$215	97,991	706,196	313	$2,464	17	74	1,185	3,909	6	$40	------	------
1952	200	996	119,673	940,724	3,235	30,355	16	109	40	182	69	516	113	$819
Total	246	1,211	1,277,005	6,890,795	3,548	32,819	23,642	107,752	5,149	16,059	75	556	113	819

[1] For total number and amount of mortgages insured under each section in 1951, 1952, and cumulatively through 1952, see Table 2.
[2] Sec. 2 activity, 1938–50; Sec. 8 activity, 1950–52.

YEARLY VOLUME OF HOME MORTGAGES INSURED, 1935 - 1952
NUMBER OF DWELLING UNITS UNDER ALL PROGRAMS

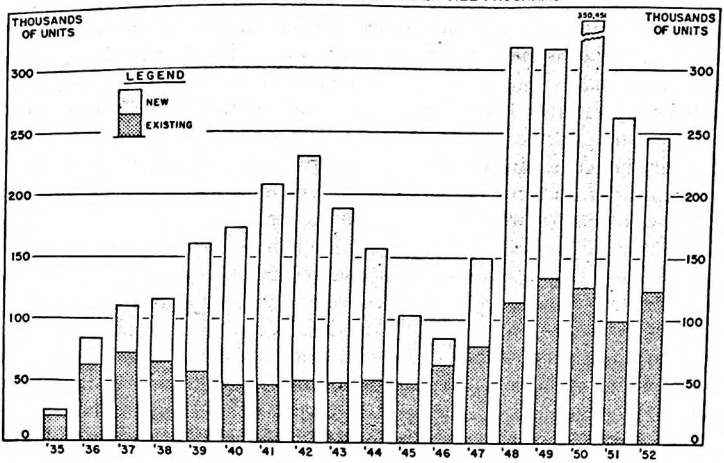

CHART 6.

These data are largely a reflection of insurance activity under Section 203. With the exception of the period from 1943 through 1948 (when the bulk of home mortgages were insured under the war and veterans' housing provisions of Section 603), operations under this section have accounted for the major part of FHA's home mortgage insurance operations since the establishment of the agency in 1934. The following data demonstrate the preponderant influence of Section 203 in FHA's 1952 home mortgage operations:

Section	Total		New		Existing	
	Percentage distribution of					
	Units	Amount	Units	Amount	Units	Amount
	Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
203	90	91	84	86	97	97
903	6	6	12	11	(1)	(1)
	2	1	4	3	(1)	(1)
213	1	2			3	3
Others	1	(1)			(1)	(1)
Total	100	100	100	100	100	100

1 Less than 0.05 percent.

It should be noted that FHA insurance for new-home mortgages in 1952 was available only under Sections 8, 203, and 903. As shown in Table 7, almost all the insurance written under Sections 8 and 903 covered new construction. Under Section 203, however, existing-construction insurance exceeded new-construction by more than $100 million and nearly 17,000 units. A principal factor in this development, which last occurred for Section 203 during the period of high activity under Section 603, appears to have been the higher "mortality" or expiration rate for new-construction commitments. Although the number of Section 203 new-construction commitments closed through expiration or insurance in 1952 exceeded those for existing construction by 16 percent, expirations accounted for 45 percent of the new-construction commitments closed, as compared with only 25 percent for existing construction. A partial explanation of this situation may lie in the large proportion of new-construction commitments closed in 1952 which represented transactions initially approved in late 1951 or early 1952 that were subject to credit restrictions, under which FHA-insured new-construction mortgages offered little or no advantage over conventional financing with respect to downpayment requirements and term of mortgage.

Also contributing to the high expiration rate for FHA new-construction commitments was the 5 percent lower downpayment privilege extended under the credit curbs program to World War II veterans who bought homes with mortgages guaranteed by the Veterans' Administration. As a result of this, many houses built under FHA inspection were sold "GI" and never presented for FHA insurance endorsement. In the last part of the year, following the liberalization of credit restrictions in June and their almost complete relaxation in September, the proportion of closed new-construction commitments endorsed for insurance increased from the 50 percent rate recorded in the first half of the year to about 60 percent.

Status of Processing

Of the 441,000 home mortgage applications processed by FHA field offices in 1952, 91 percent were approved for FHA commitments to insure. During the year 298,000 home mortgage cases were closed through rejection of applications, expiration of commitments, or insurance of mortgages.

Table 8 shows the disposition of the 367,000 Section 203 cases closed during the year. Nearly 10 percent of these closed cases represented rejected applications, 33 percent were expired commitments, and 58 percent were insured mortgages. In comparison with 1951, the pro-

TABLE 8.—*Disposition of home-mortgage applications, Sec. 203, selected years*

Year	Number of cases closed	Percent of cases closed by: Rejection of application [1]	Expiration of commitment [1]	Insurance of mortgage
	Total construction			
1940	244,442	18.8	12.3	68.9
1949	398,669	13.4	22.0	64.6
1950	539,640	10.4	26.9	62.7
1951	436,755	7.1	36.7	56.2
1952	367,064	9.6	32.5	57.9
	New construction			
1940	176,394	15.3	13.4	71.3
1949	204,547	12.5	23.1	64.4
1950	345,478	9.5	27.2	63.3
1951	297,204	5.5	43.3	51.2
1952	194,029	8.1	41.5	50.4
	Existing construction			
1940	68,048	27.9	9.5	62.6
1949	194,122	14.2	20.9	64.9
1950	194,162	12.1	26.4	61.5
1951	139,551	10.6	22.5	66.9
1952	173,035	11.3	22.3	66.4

[1] Excludes cases reopened after rejection or expiration.

portions of rejected and insured cases were up slightly, while expirations were relatively less numerous.[3]

As in previous years, the new-home cases closed during 1952 included larger proportions of expired cases and smaller proportions of rejections than were reported for existing-home transactions. In the last 2 years, however, the expiration of new-construction commitments rose to such proportions that the percentage of existing-home cases closed by insurance was for the first time substantially higher than the comparable new-home figures. This decidedly higher level of new-home expirations may be partially explained by two factors—a more stringent commitment cancellation policy adopted by FHA to conserve the insurance authorization, and the permanent financing of many homes built with FHA commitment assistance and under FHA inspection through conventional or VA-guaranteed mortgages.

[3] The following disposition was made of cases closed under the other two major FHA home mortgage programs during 1952: Of the 8,374 cases closed under Sec. 8, 2 percent were rejected, 29 percent expired, and 69 percent insured; of the 19,089 closed under Sec. 903, 27 percent were rejected, 7 percent expired, and 66 percent insured. Nearly half of the Sec. 903 rejects were attributable to oversubscription of the defense housing programs.

State Distribution

Totals for the year.—Home mortgages insured by FHA during 1952 covered properties in every State, the District of Columbia, Alaska, Hawaii, Puerto Rico, the Virgin Islands, and—for the first time—Guam. The State distributions of the number and amount of these mortgages, with the number of dwelling units involved, are shown in Table 9 for all home mortgage programs combined, while comparable distributions of the new and existing dwelling units securing the mortgage insured under each of the individual programs are presented in Table 10.

As depicted in Chart 7, there were only 8 States in which the number of home mortgages reported insured during 1952 was less than 1,000. Most States had 1,000 to 4,999 mortgages, while 5,000 or more were reported for each of 15 States. The largest volume was reported for California with a total of 34,100 mortgages, followed by Texas, Michigan, Ohio, Pennsylvania, and Washington. The combined volume of these 6 top-ranking States, each with over 10,000 insured mortgages, represented over two-fifths of the national total for the year.

NUMBER OF HOME MORTGAGES INSURED UNDER ALL SECTIONS
1952

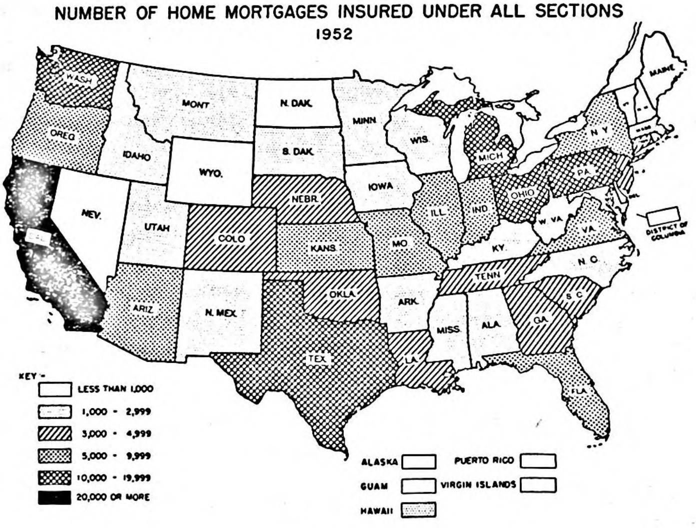

CHART 7.

TABLE 9.—*Volume of FHA-insured home mortgages, by State location, 1952*

[Dollar amounts in thousands]

State	Total			New construction			Existing construction		
	Number	Amount	Units	Number	Amount	Units	Number	Amount	Units
Alabama	2,441	$20,089	2,533	1,353	$11,336	1,423	1,088	$8,753	1,110
Arizona	5,614	41,296	6,030	4,440	33,047	4,758	1,174	8,249	1,272
Arkansas	2,552	19,215	2,666	1,189	9,330	1,261	1,363	9,885	1,405
California	34,118	299,295	36,630	14,764	132,128	16,344	19,354	167,167	20,286
Colorado	3,284	28,739	3,472	2,573	22,658	2,748	711	6,081	724
Connecticut	3,056	26,787	3,318	879	7,512	880	2,177	19,275	2,438
Delaware	328	2,658	329	125	994	125	203	1,664	204
District of Columbia	190	1,973	257	21	204	27	169	1,769	230
Florida	6,602	50,976	6,703	5,111	39,289	5,192	1,491	11,688	1,511
Georgia	4,966	42,565	5,239	3,027	26,336	3,239	1,939	16,229	2,000
Idaho	1,725	13,931	1,802	562	4,973	566	1,163	8,958	1,236
Illinois	7,241	64,959	7,431	2,687	23,874	2,698	4,554	41,085	4,733
Indiana	7,004	56,249	7,141	3,492	28,397	3,539	3,512	27,852	3,602
Iowa	2,450	20,103	2,499	861	7,017	895	1,589	13,087	1,604
Kansas	7,433	62,154	8,001	5,585	47,480	6,128	1,848	14,674	1,873
Kentucky	2,920	23,244	2,967	1,292	9,719	1,320	1,628	13,524	1,647
Louisiana	3,806	31,788	4,011	2,053	17,259	2,189	1,753	14,528	1,822
Maine	837	5,782	926	203	1,550	204	634	4,232	722
Maryland	2,608	21,579	2,646	1,099	8,781	1,102	1,509	12,798	1,544
Massachusetts	1,077	8,350	1,338	142	963	145	935	7,387	1,193
Michigan	15,224	126,291	15,608	8,374	69,866	8,458	6,850	56,425	7,150
Minnesota	1,929	17,490	1,975	620	5,601	644	1,309	11,889	1,331
Mississippi	1,736	12,320	1,802	1,191	8,689	1,247	545	3,631	555
Missouri	6,798	57,695	6,993	2,471	21,623	2,497	4,327	36,071	4,496
Montana	1,037	8,594	1,108	200	1,806	205	837	6,788	903
Nebraska	3,031	24,113	3,123	1,393	11,309	1,447	1,638	12,804	1,676
Nevada	849	7,021	910	602	4,741	645	247	2,280	265
New Hampshire	271	1,879	287	112	736	112	159	1,143	175
New Jersey	4,971	38,862	5,151	1,800	13,950	1,802	3,171	24,913	3,349
New Mexico	2,171	16,817	2,229	1,898	14,701	1,947	273	2,116	282
New York	6,942	57,466	7,561	3,142	26,005	3,201	3,800	31,461	4,360
North Carolina	2,676	20,789	2,865	1,785	13,796	1,934	891	6,993	931
North Dakota	420	3,739	439	152	1,469	164	268	2,270	275
Ohio	13,056	116,970	13,661	4,817	43,678	5,063	8,239	73,292	8,598
Oklahoma	4,182	33,696	4,450	1,890	16,697	2,115	2,292	16,998	2,335
Oregon	5,714	45,657	5,883	1,300	11,061	1,401	4,414	34,596	4,482
Pennsylvania	11,896	92,012	12,110	7,515	58,606	7,584	4,381	33,406	4,526
Rhode Island	438	3,769	449	150	1,285	151	288	2,484	298
South Carolina	3,887	30,841	4,393	2,576	21,745	3,059	1,311	9,096	1,334
South Dakota	1,121	9,417	1,307	522	5,180	664	599	4,237	643
Tennessee	3,698	29,072	3,944	2,366	18,717	2,541	1,332	10,355	1,403
Texas	17,073	130,844	18,371	10,517	82,194	11,682	6,556	48,649	6,689
Utah	2,293	20,158	2,395	1,115	9,931	1,157	1,178	10,227	1,238
Vermont	163	1,252	180	39	310	41	124	942	139
Virginia	5,785	47,939	5,806	1,945	15,842	1,950	3,840	32,097	3,856
Washington	10,514	86,742	11,035	2,076	18,365	2,373	8,438	68,378	8,662
West Virginia	1,285	10,513	1,332	318	2,743	324	967	7,770	1,008
Wisconsin	1,672	15,475	1,751	587	5,386	626	1,085	10,089	1,125
Wyoming	851	7,226	894	361	3,282	375	490	3,945	519
Alaska	164	2,596	202	48	883	71	116	1,713	131
Guam	2	13	3	....	....	....	2	13	3
Hawaii	1,739	17,935	1,786	1,167	11,618	1,195	572	6,317	591
Puerto Rico	883	7,985	955	704	6,263	730	179	1,723	225
Virgin Islands	2	14	2	1	6	1	1	8	1
Total [1]	234,729	1,944,964	246,903	115,212	960,931	122,189	119,517	984,033	124,714

[1] Cases tabulated in 1952.

Mortgages insured on existing construction exceeded the number insured on new construction in 2 out of 3 States, the District of Columbia, and Alaska. Among the leading States, the excess of existing-construction cases was highest in Washington and California. As indicated in Table 10, Section 203 was the most popular insurance vehicle for existing-construction mortgages in all States and for new construction in all but 2 States—Georgia and South Carolina—in both of which Section 903 defense housing units were the most numerous. These

2 States, together with Texas, Kansas, and California, accounted for more than half the dwelling units covered by Section 903 mortgages insured in 1952. Under the low-cost program of Section 8, insurance was written during the year on mortgages involving properties in all but 7 States, but nearly half of these units were located in Kansas, Michigan, and Texas. Section 213 insurance under the individual home mortgage provisions was limited to properties in 3 States—California (accounting for over 95 percent), Oklahoma, and Tennessee.

TABLE 10.—*Dwelling units securing FHA-insured home mortgages, by State location, 1952*

State	New construction				Existing construction					
	Total units	Sections			Total units	Sections				
		8	203	903		8	203	213	903	Other
Alabama	1,423	25	1,202	196	1,110		1,087		1	22
Arizona	4,758	476	4,050	232	1,272	2	1,220			50
Arkansas	1,261	15	1,018	228	1,405		1,405			
California	16,344	96	15,084	1,164	20,286	7	17,151	3,101	3	24
Colorado	2,748	72	2,661	15	724		724			
Connecticut	880	66	809	5	2,438		2,438			
Delaware	125		125		204		204			
District of Columbia	27		27		230		230			
Florida	5,192	432	4,177	583	1,511	77	1,429		5	
Georgia	3,239	15	1,609	1,615	2,000	5	1,992		3	
Idaho	566	3	553	10	1,236		1,236			
Illinois	2,698	21	2,455	222	4,733		4,733			
Indiana	3,539	31	3,339	169	3,602	1	3,601			
Iowa	895	121	774		1,604	1	1,603			
Kansas	6,128	1,223	3,615	1,290	1,873	7	1,864		2	
Kentucky	1,320	3	1,142	175	1,647		1,647			
Louisiana	2,189	65	1,349	775	1,822	1	1,817		4	
Maine	204		187	17	722		722			
Maryland	1,102		960	142	1,544		1,544			
Massachusetts	145	52	93		1,193	1	1,192			
Michigan	8,458	887	7,571		7,150	6	7,144			
Minnesota	644	28	616		1,331	1	1,330			
Mississippi	1,247		856	391	555		554		1	
Missouri	2,497	53	2,416	28	4,496	1	4,495			
Montana	205	6	199		903		903			
Nebraska	1,447	168	1,279		1,676	1	1,675			
Nevada	645	1	644		265		265			
New Hampshire	112	30	82		175	1	165			9
New Jersey	1,802	165	1,637		3,349	1	3,347			1
New Mexico	1,947		1,616	331	282		278		4	
New York	3,201	363	2,648	190	4,360	2	4,339			19
North Carolina	1,934	16	1,544	374	931		931			
North Dakota	164		164		275		275			
Ohio	5,063	10	4,879	174	8,598	2	8,594		2	
Oklahoma	2,115	109	1,487	519	2,335	5	2,297	33		
Oregon	1,401	45	1,356		4,482	3	4,479			
Pennsylvania	7,584	102	7,418	64	4,526		4,526			
Rhode Island	151	3	148		298		298			
South Carolina	3,059	6	1,114	1,939	1,334		1,333		1	
South Dakota	664	37	341	286	643	1	642			
Tennessee	2,541	257	1,875	409	1,403	11	1,218	100	74	
Texas	11,682	627	8,997	2,058	6,689	26	6,649		14	
Utah	1,157	48	1,105	4	1,238		1,238			
Vermont	41	9	39		139		139			
Virginia	1,950	2	1,474	467	3,856	2	3,852		2	
Washington	2,373	65	1,990	318	8,662	1	8,661			
West Virginia	324	1	323		1,008		1,008			
Wisconsin	626		563	63	1,125		1,125			
Wyoming	375	2	373		519		519			
Alaska	71		71		131		131			
Guam					3		3			
Hawaii	1,195		1,195		591		591			
Puerto Rico	730		730		225		225			
Virgin Islands	1		1		1		1			
Total [1]	122,189	5,756	101,980	14,453	124,714	166	121,069	3,234	116	129

[1] Cases tabulated in 1952.

Cumulative totals.—The State distribution of the nearly 3.2 million 1- to 4-family home mortgages insured by FHA in its 18 years of operations through 1952 is shown in Table 11. California surpassed all other States, accounting for some 526,000 (or 1 of every 6) home mortgages insured by FHA. Other leading States were Michigan with nearly 211,000 mortgages, Texas with slightly under 200,000, Pennsylvania with 166,000, New York with 158,000, Ohio with 148,000, and Illinois with 143,000—these 7 States accounting for virtually one-half the total number of home mortgages insured by FHA through December 31, 1952.

TABLE 11.—*Volume of FHA-insured home mortgages by State location, 1935–52*

[Dollar amounts in thousands]

State	Total		Sec. 203		Sec. 603		Other sections [1]	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Alabama	36,699	$207,729	26,324	$153,585	9,644	$50,589	731	$3,556
Arizona	36,959	216,495	27,281	162,931	7,132	43,215	2,546	10,349
Arkansas	31,833	170,426	26,164	142,425	4,869	24,493	800	3,508
California	526,138	3,078,689	380,893	2,254,546	126,010	742,826	19,235	81,317
Colorado	36,425	218,343	30,470	186,372	5,069	29,429	886	2,542
Connecticut	32,560	212,000	24,890	174,198	7,485	37,211	185	590
Delaware	6,338	36,890	3,667	22,169	2,631	14,622	40	100
District of Columbia	6,648	48,270	3,867	27,577	2,780	20,691	1	3
Florida	92,519	559,466	63,253	382,923	26,895	165,132	2,371	11,411
Georgia	51,350	292,409	36,170	207,839	13,307	70,525	1,873	14,045
Idaho	16,840	98,283	16,196	94,863	527	3,104	117	317
Illinois	143,378	900,501	119,554	765,905	21,970	128,658	1,854	5,938
Indiana	103,140	572,296	86,887	476,808	15,801	93,633	452	1,855
Iowa	27,735	157,007	24,972	142,622	2,549	13,563	214	822
Kansas	56,175	334,938	43,312	258,200	10,329	57,646	2,534	19,092
Kentucky	30,535	182,554	25,499	153,231	4,737	27,874	299	1,450
Louisiana	52,941	338,537	39,304	255,786	12,381	75,633	1,256	7,119
Maine	9,309	45,730	7,986	38,943	1,240	6,470	83	317
Maryland	49,119	289,579	33,350	196,861	14,409	88,416	1,360	4,302
Massachusetts	18,053	105,278	14,590	86,963	3,076	17,275	387	1,039
Michigan	210,980	1,254,512	165,928	992,193	41,334	248,254	3,718	14,065
Minnesota	30,315	180,566	25,138	147,687	4,810	31,968	367	910
Mississippi	23,190	117,925	18,449	92,038	4,168	22,926	573	2,961
Missouri	79,985	483,989	72,562	444,210	7,080	38,418	343	1,360
Montana	10,262	56,645	9,894	53,692	334	2,849	34	104
Nebraska	29,103	165,851	23,040	133,413	5,868	31,520	195	917
Nevada	7,696	52,130	5,702	41,767	1,925	10,177	69	186
New Hampshire	4,313	21,544	3,897	19,071	337	2,172	79	301
New Jersey	125,097	724,511	105,731	609,267	16,615	106,257	2,751	8,987
New Mexico	17,942	113,535	14,949	94,422	2,624	16,587	369	2,526
New York	158,042	998,296	127,683	817,579	23,057	151,757	7,302	28,960
North Carolina	37,559	219,874	27,865	161,095	8,829	53,933	865	3,946
North Dakota	2,850	17,376	2,678	16,217	162	1,135	10	23
Ohio	148,281	918,844	122,391	767,405	24,769	146,752	1,121	4,687
Oklahoma	77,659	446,435	58,970	337,080	17,706	101,697	983	7,658
Oregon	44,380	269,506	36,745	226,763	6,845	40,369	790	2,374
Pennsylvania	166,140	926,021	133,589	728,983	31,443	193,118	1,108	3,920
Rhode Island	6,373	35,706	5,077	28,906	1,264	6,735	32	65
South Carolina	29,663	155,029	20,989	104,569	6,378	34,137	2,296	16,324
South Dakota	9,793	53,339	9,049	47,389	520	3,439	224	2,511
Tennessee	59,044	332,975	41,537	228,010	15,977	96,140	1,530	8,825
Texas	199,705	1,111,341	139,165	791,985	52,028	281,987	8,512	37,369
Utah	30,275	179,417	22,180	135,833	7,920	42,924	175	660
Vermont	3,866	18,238	3,570	16,842	283	1,372	13	25
Virginia	71,635	419,462	49,113	304,339	18,806	102,931	3,716	12,192
Washington	127,492	738,882	105,427	624,375	19,076	103,235	2,989	11,272
West Virginia	21,376	118,440	20,013	112,094	1,325	6,224	38	121
Wisconsin	27,489	172,055	22,733	145,223	4,425	25,510	331	1,322
Wyoming	10,456	53,230	9,232	46,389	1,125	6,582	99	259
Alaska	1,102	10,159	1,080	10,090	1	7	21	63
Guam	2	13	2	13	--------	--------	--------	--------
Hawaii	8,314	69,540	7,769	65,859	544	3,677	1	4
Puerto Rico	13,383	83,366	9,221	64,219	4,162	19,146	--------	--------
Virgin Islands	9	77	7	65	2	13	--------	--------
Total [2]	3,158,338	18,583,817	2,456,004	14,594,731	624,587	3,644,982	77,747	344,104

[1] Includes Secs. 2, 8, 213, 603–610, 611, and 903.
[2] Cases tabulated through Dec. 31, 1952.

Terminations and Foreclosures

Through the end of 1952, FHA insurance contracts had been terminated on over 1.3 million home mortgages with original principal amounts totaling $6.3 billion. This left insurance in force on nearly 1.8 million mortgages originally aggregating $12.2 billion—about equal to the amount of home mortgage insurance written in the 8 years from 1945 through 1952. Through amortization, the outstanding balances on the home mortgages still in force at December 31, 1952 had been reduced to $10.7 billion, or less than 60 percent of the total amount of home mortgages insured by FHA since the beginning of operations. (See Table 3 in Section 1.)

Terminations of FHA insurance contracts occur in the following circumstances:

(1) payment of the loan in full at maturity;

(2) prepayment of the loan prior to maturity without refinancing or with a non-FHA mortgage involving the same or a new mortgagor (these types being classified as *prepayments in full*), or through refinancing with a new FHA-insured mortgage (i. e., prepayment by supersession);

(3) foreclosure of the mortgage and acquisition of title to the property by the mortgagee. After acquisition of title the mortgagee may either transfer it to the FHA in exchange for debentures and a certificate of claim for those foreclosure expenses not covered by the debentures, or retain the property, in which case the mortgagee "withdraws" from the insurance contract and foregoes its insurance privileges.

Table 12 shows the disposition of FHA-insured home mortgages terminated through the end of 1952. All but 2 percent of these terminations resulted from prepayments—16 percent were prepaid with new FHA-insured home mortgages and 82 percent were prepaid in full by other means. Foreclosures were responsible for about 1.4 percent of FHA home mortgages terminated ($\frac{6}{10}$ of 1 percent of the total number insured). Section 603 transactions accounted for about three-fifths of these terminations by foreclosure. Of the properties involved in foreclosed cases, mortgagees transferred 14,742 to FHA in exchange for debentures and retained 4,047 (mostly properties insured under Section 203) for disposition by sale or rent.

Included in the terminations shown in Table 12 are some 101,000 terminations which were reported in 1952. Of these, 76,705 were prepayments in full, 20,089 were supersessions, 2,181 were matured loans, and 1,572 were foreclosures.

Detailed information on the disposition of the properties acquired by FHA is presented in Section 3 of this report, in Statements 11 and 12 for Section 203 and Statements 18, 19, and 20 for Section 603.

TABLE 12.—*Disposition of FHA-insured home mortgages, 1935–52*

[Dollar amounts in thousands]

	Total[1]		Sec. 8		Sec. 203		Sec. 213	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Mortgages insured	3,115,292	$18,477,612	12,203	$59,908	2,459,014	$14,614,753	3,548	$32,819
Mortgages terminated:								
Prepaid in full	1,091,599	5,163,613	69	307	881,764	4,133,837	1	8
Prepaid by supersession	207,449	998,141	20	93	148,546	721,679		
Matured loans	9,304	25,425			9,304	25,425		
Properties acquired by mortgagee:								
Transferred to FHA	14,742	81,450	2	8	5,022	25,482		
Retained by mortgagee	4,047	22,208			2,570	13,825		
Other terminations	583	2,548			446	1,991		
Total terminations	1,327,724	6,293,386	91	408	1,047,652	4,922,239	1	8
Mortgages in force	1,787,568	12,184,226	12,112	59,500	1,411,362	9,692,514	3,547	32,811

	Sec. 603		Sec. 603–610		Sec. 611		Sec. 903	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Mortgages insured	624,587	$3,644,982	3,355	$16,059	75	$556	12,510	$108,535
Mortgages terminated:								
Prepaid in full	209,589	1,028,786	176	674				
Prepaid by supersession	58,830	276,153	53	216				
Matured loans								
Properties acquired by mortgagee:								
Transferred to FHA	9,707	55,927	11	33				
Retained by mortgagee	1,477	8,383						
Other terminations	137	558						
Total terminations	279,740	1,369,807	240	923				
Mortgages in force	344,847	2,275,175	3,115	15,136	75	556	12,510	108,535

[1] Excludes Sec. 2 home mortgages.

Yearly trend.—Table 13 shows the number of terminated cases, titles acquired by mortgagees, and foreclosures in process at the year end, for the last three years and by 5-year periods from 1935 through 1949. The 101,000 FHA home mortgage cases terminated in 1952 represented an 8 percent decline from the previous year and—except for 1949—the lowest volume terminated in any year since 1943. This decrease in the number of cases terminated was reflected in the figures for both the major home mortgage insurance programs—the long-term Section 203 program and the emergency war and postwar programs under Section 603.

Of the properties acquired by mortgagees through December 31, 1952 as a result of foreclosure, 513 were being held subject to redemption or pending final disposition, as compared with 607 such cases at the end of 1951. When allowance is made for this difference, the number of terminations resulting from the acquisition of titles by mort-

TABLE 13.—*Terminations of FHA-insured home mortgages, 1935–52*

Year	Total terminations			Titles acquired by mortgagees [1]			Foreclosures in process at year end	
	Number for the period	Cumulative through end of year		Number for the period	Cumulative through end of year		Number	Percent of insured mortgages in force
		Number	Percent of total insured		Number	Percent of total insured		
Total								
1935–39	28,258	28,258	6.07	2,095	2,095	0.45	808	0.18
1940–44	281,675	309,933	22.66	6,912	9,007	.66	820	.08
1945–49	675,029	984,962	43.06	4,684	13,691	.60	1,281	.10
1950	131,833	1,116,795	42.49	2,610	16,301	.62	1,167	.08
1951	109,795	1,226,590	42.58	1,523	17,824	.62	899	.05
1952	101,134	[2] 1,327,724	42.62	1,478	19,302	.62	646	.04
Sec. 8								
1951	2	2	.03	----------	----------	----------	1	.02
1952	89	[2] 91	.75	5	5	.04	5	.04
Sec. 203								
1935–39	28,258	28,258	6.07	2,095	2,095	.45	808	.18
1940–44	269,406	297,664	27.52	3,308	5,403	.50	99	.01
1945–49	486,037	783,701	47.13	244	5,647	.34	302	.03
1950	97,144	880,845	44.02	677	6,324	.32	502	.04
1951	85,506	966,351	43.02	760	7,084	.32	515	.04
1952	81,301	[2] 1,047,652	42.60	684	7,768	.32	438	.03
Sec. 213								
1952	1	1	.03	----------	----------	----------	----------	----------
Sec. 603 [3]								
1941–44	12,269	12,269	4.28	3,604	3,604	1.26	721	.26
1945–49	188,992	201,261	32.23	1,064	8,044	1.29	979	.23
1950	34,689	235,950	37.62	1,933	9,977	1.59	665	.17
1951	24,287	260,237	41.45	763	10,740	1.71	383	.10
1952	19,743	[2] 279,980	44.59	789	11,529	1.84	203	.06

[1] Includes titles transferred to FHA, titles retained by mortgagees with termination of mortgage insurance, and titles to foreclosed properties subject to redemption or held by mortgagees pending final disposition—3 under Sec. 8, 176 under Sec. 203, and 334 under Secs. 603 and 603–610.
[2] Of the cumulative number of terminated mortgages, FHA reinsured 20 Sec. 8 cases, 148,546 Sec. 203 cases, and 58,883 Sec. 603 cases. A reinsured mortgage involves the same property as covered by the original FHA insurance contract.
[3] Includes Sec. 603–610 cases.

gagees was down slightly—from 1,523 in 1951 to 1,478 in 1952. The number of Section 603 properties acquired during the year—over half of the total—rose slightly, while Section 203 title acquisitions were 10 percent lower than in 1951.

Foreclosures in process on December 31 declined by about 28 percent from 1951 to 1952. Although the number of these cases was lower in both of the major programs, the relative decrease in the volume of Section 603 pending foreclosures was substantially greater. In rela-

TABLE 14.—*Termination of FHA-insured home mortgages by State location, Secs. 203 and 603, 1935–52*

State	Sec. 203				Sec. 603			
	Total mortgages insured	Terminations	Titles acquired [1]	Insured mortgages in force Dec. 31, 1952	Total mortgages insured	Terminations	Titles acquired [1]	Insured mortgages in force Dec. 31, 1952
		As percent of insured				As percent of insured		
Alabama	26,324	36.14	0.60	16,811	9,644	50.46	6.25	4,778
Arizona	27,281	25.32	.21	20,374	7,132	19.78	6.72	5,721
Arkansas	26,164	29.97	.97	18,323	4,869	45.98	1.01	2,630
California	380,893	49.49	.15	192,407	126,010	46.28	.19	67,690
Colorado	30,470	40.04	.14	18,269	5,069	41.11	.10	2,985
Connecticut	24,890	36.52	.17	15,801	7,485	67.59	21.36	2,426
Delaware	3,667	41.10	.95	2,160	2,631	74.00	.11	684
District of Columbia	3,867	57.56	.08	1,641	2,780	41.47	.14	1,627
Florida	63,253	32.08	.38	42,962	26,895	21.75	1.10	21,046
Georgia	36,170	38.57	.46	22,218	13,307	46.37	4.83	7,136
Idaho	16,196	37.19	.19	10,172	527	45.54	.38	287
Illinois	119,554	56.53	.19	51,967	21,970	60.20	.06	8,743
Indiana	86,887	43.24	.20	49,315	15,801	44.21	.44	8,815
Iowa	24,972	47.35	.13	13,148	2,549	56.06	5.81	1,120
Kansas	43,312	38.24	.92	26,751	10,329	52.34	1.06	4,923
Kentucky	25,499	38.00	.37	15,810	4,737	43.49	.04	2,677
Louisiana	39,304	29.65	.50	27,652	12,381	49.96	4.47	6,196
Maine	7,986	43.49	.96	4,513	1,240	63.71	3.06	450
Maryland	33,350	48.39	.34	17,213	14,409	55.19	6.70	6,456
Massachusetts	14,590	50.90	1.56	7,163	3,076	59.30	1.63	1,252
Michigan	165,928	43.91	.41	93,073	41,334	43.83	2.17	23,219
Minnesota	25,138	53.56	.37	11,674	4,810	44.74	.48	2,658
Mississippi	18,449	35.25	.49	11,946	4,168	25.17	.26	3,119
Missouri	72,562	42.10	.30	42,017	7,080	55.41	2.68	3,157
Montana	9,894	46.05	.10	5,338	334	50.90	.30	164
Nebraska	23,040	42.95	.21	13,145	5,868	61.50	2.25	2,259
Nevada	5,702	30.18	.02	3,981	1,925	51.90	.05	926
New Hampshire	3,897	57.30	3.10	1,664	337	42.43	8.90	194
New Jersey	105,731	48.73	.63	54,213	16,615	45.90	1.63	8,989
New Mexico	14,940	22.72	.04	11,552	2,624	28.24	--------	1,883
New York	127,683	35.58	.65	82,251	23,057	28.45	2.07	16,497
North Carolina	27,865	36.88	.28	17,587	8,829	28.79	2.10	6,287
North Dakota	2,678	45.18	.30	1,468	162	39.51	--------	98
Ohio	122,391	49.38	.15	61,956	24,769	57.01	.48	10,647
Oklahoma	58,970	35.38	.34	38,108	17,706	39.66	1.89	10,684
Oregon	36,745	32.84	.18	24,677	6,845	44.05	.26	3,830
Pennsylvania	133,589	47.63	.20	69,967	31,443	48.91	.17	16,065
Rhode Island	5,077	55.25	.53	2,272	1,264	56.25	.08	553
South Carolina	20,989	29.03	.39	14,895	6,378	39.31	5.63	3,871
South Dakota	9,049	44.66	.23	5,008	520	43.08	--------	296
Tennessee	41,537	39.40	.35	25,173	15,977	26.54	1.01	11,737
Texas	139,165	32.42	.16	94,049	52,028	37.36	.92	32,591
Utah	22,180	42.20	.18	12,821	7,920	58.04	5.03	3,323
Vermont	3,570	59.61	1.15	1,442	283	67.14	4.95	93
Virginia	49,113	34.79	.24	32,029	18,806	47.89	5.50	9,799
Washington	105,427	42.06	.24	61,087	19,076	64.65	.80	6,744
West Virginia	20,013	44.46	.14	11,116	1,325	58.34	21.21	552
Wisconsin	22,733	52.46	.25	10,808	4,425	57.04	.18	1,901
Wyoming	9,232	51.83	.18	4,447	1,125	35.20	--------	729
Alaska	1,080	39.07	.28	658	1	100.00	--------	--------
Guam	2	--------	--------	2	--------	--------	--------	--------
Hawaii	7,769	30.08	.03	5,432	544	37.32	--------	341
Puerto Rico	9,221	15.20	.07	7,819	4,162	4.04	.34	3,994
Virgin Islands	7	--------	--------	7	2	50.00	--------	1
Total [2]	2,456,004	42.66	.32	1,408,352	624,587	44.79	1.84	344,843

[1] Includes titles transferred to FHA, titles retained by the mortgagees with termination of mortgage insurance, and titles to 176 Sec. 203 and 334 Sec. 603 foreclosed mortgages which are subject to redemption or held by mortgagees pending final disposition.
[2] Cases tabulated through Dec. 31, 1952.

tion to total insured mortgages in force, the proportion of foreclosures in process at the year end declined from 0.05 percent in 1951 to 0.04 percent in 1952, with comparable decreases of 0.04 to 0.03 percent under Section 203, and 0.10 to 0.06 percent under Section 603. Contributing to the sharper decline for Section 603 was the fact that substantial new insurance activity under that program ended early in 1950.

State distribution.—Table 14 shows for each State and Territory the total number of home mortgages insured through December 31, 1952 under the 2 major FHA home mortgage programs—Sections 203 and 603—the percent of these mortgages terminated, the percent terminated because of foreclosures (titles acquired by mortgagees), and the number remaining in force at the year end.

The proportion of Section 203 contracts terminated ranged from none (in the Virgin Islands and Guam, where FHA insurance contracts are of recent origin) to 60 percent in Vermont, with a national average of about 43 percent. The termination ratios for the majority of the States were between 35 and 50 percent, only 10 having ratios below 35 percent and 9 having ratios in excess of 50 percent. Less than one-third of 1 percent of the Section 203 insured cases were terminated because of foreclosure. In only 12 States did the foreclosure ratio exceed one-half of 1 percent and in only 3 States was it more than 1 percent.

With virtually no insuring activity under Section 603 and nearly 20,000 Section 603 contracts reported terminated during the year, the cumulative termination rate under this section increased to nearly 45 percent. In 20 States the proportion of Section 603 cases now reported as terminated was 50 percent or higher, while only 7 States had ratios of less than 35 percent. Reflecting the emergency nature of the program, the Section 603 foreclosure rate was somewhat higher than for Section 203, averaging 1.8 percent of all mortgages insured. Terminations due to foreclosure exceeded 5 percent in 10 states, while in 19 States or Territories it was less than 1 percent.

Termination Experience

The life expectancy of 1- to 4-family home mortgages insured under Section 203, i. e., that period of time for which mortgages can, on the average, be expected to remain in force, is estimated to be 7.70 years. This figure is based on the termination experience of these home mortgages observed over the 16-year period from the inauguration of the mutual mortgage insurance program to the end of 1950 and a projection of this experience through 4 additional years to reflect the life expectancy of mortgages with maturities of 20 years. The termination experience covers all home mortgage insurance contracts written under Section 203 from 1935 through 1950 and exposed to their policy anniversaries in 1951 or prior termination dates.

On the basis of this 1935–51 termination experience, the life expectancy of Section 203 home mortgages represents an increase of 0.15 year over the figure of 7.55 years reported in the 1951 annual report. This increase in life expectancy reflects the decline from the previous year in total terminations of insurance contracts occurring in 1951. Future figures can be expected to show longer life expectancies for Section 203 mortgages as the effects of the record levels of terminations during the latter war and early postwar years are offset by relatively lower levels of terminations in the future. The record terminations in those war and postwar years were predominantly prepayments of mortgages—reflecting both unusually high personal savings and high turnover of residential properties accounted for by a combination of high employment and shortages of consumer goods and housing in those years.

The survivorship table based on the 1935–51 termination experience of Section 203 mortgages is presented in Actuarial Schedule 1. This table shows the numbers of mortgages surviving at the beginning of each policy year from an initial hypothetical group of 100,000 mortgages on 1- to 4-family homes. The numbers of mortgage survivors are determined from the total annual rates of termination by policy year, which are also shown in the survivorship table.

ACTUARIAL SCHEDULE 1.—*Survivorship table of a group of 1- to 4-family home mortgages based on aggregate termination experience by policy year for Sec. 203 mortgages insured from 1935 through 1950 and exposed to policy anniversaries in 1951 or prior termination dates*

Policy year	Mortgage survivors at the beginning of policy year	Annual termination rates [1]	Mortgage terminations during the policy year	Policy year	Mortgage survivors at the beginning of policy year	Annual termination rates [1]	Mortgage terminations during the policy year
1st	100,000	0.0267311	2,673	9th	39,171	0.1557526	6,101
2d	97,327	.0531523	5,173	10th	33,070	.1578571	5,220
3d	92,154	.0797239	7,347	11th	27,850	.1512604	4,213
4th	84,807	.1066581	9,045	12th	23,637	.1536535	3,632
5th	75,762	.1333261	10,101	13th	20,005	.1573791	3,148
6th	65,661	.1516930	9,960	14th	16,857	.1623134	2,736
7th	55,701	.1608247	8,958	15th	14,121	.2720614	3,842
8th	46,703	.1619905	7,572	16th	10,279	.4449153	4,573

[1] The method of determining these rates is identical with the standard method of computing probabilities.

A policy year covers the annual period beginning with the date on which a mortgage contract is endorsed for insurance. Thus a mortgage insurance contract which has not passed its first anniversary is in force or exposed to the risk of termination during its first policy year. If the contract is terminated before this anniversary, it is terminated during its first policy year. The rate of termination for the first policy year is the number of mortgages which are terminated during this policy year divided by the number of mortgages in force or exposed to the risk of termination at the beginning of the first policy year.

The total annual rates of termination are based on the 1935–51 termination experience for Section 203 mortgages. By applying these rates to an initial hypothetical group of mortgages, the number of mortgages terminating during each policy year and the number surviving at the beginning of each policy year are derived. The figures in Actuarial Schedule 1 are interpreted in the following manner:

Starting with an initial hypothetical group of 100,000 mortgages, 2,673 mortgages terminate within the first policy year after the date of their insurance. These terminations represent the product of the annual rate of terminations in the first policy year of 0.0267311 and the initial number of mortgages. Subtracting these terminated mortgages from the initial number leaves 97,327 mortgages in force at the beginning of the second policy year. The annual termination rate in the second policy year of 0.0531523 applied against these 97,327 mortgage survivors results in a product of 5,173 mortgages for terminations during the second policy year. Subtracting this number of terminations during the second policy year from the number of mortgage survivors at the beginning of the second policy year leaves 92,154 mortgages in force at the beginning of the third policy year.

The component rates of the total annual termination rates by policy year presented in the survivorship table are shown in Actuarial Schedule 2 and include rates for the two types of prepayment—prepayments in full and prepayments by supersession; the two types of titles acquired—titles retained by mortgagees and titles transferred to FHA; and other types of termination, which are predominantly maturities.

The interpretation of the component rates for the different types of termination by policy year is the same as for total annual termination rates in the measurement of survivorship and terminations during a policy year. The component rates are additive. The rate for prepayments in full for a given policy year can be combined with the rate for prepayments by supersession for the same policy year to give the total rate of prepayment for a given policy year. Likewise the rates for titles acquired by mortgagees and retained by mortgagees can be combined with the rates for those transferred to FHA to give total foreclosure rates by policy year.

To illustrate the interpretation of these component rates by a hypothetical example, if 100,000 mortgages are in force at the beginning of the fifth policy year, according to Actuarial Schedule 2 a total of

13,332 mortgages can be expected to terminate during the fifth policy year. This total number of terminations can be expected to include 13,207 prepayments, of which 11,661 are prepayments in full and 1,546 are prepayments by supersession; 66 foreclosures, in which 19 of the properties are retained by the mortgagees and 47 are transferred to FHA; and 59 other terminations, which are principally maturities.

ACTUARIAL SCHEDULE 2.—*Annual termination rates*[1] *for 1- to 4-family home mortgages by type of termination based on aggregate termination experience by policy year for Sec. 203 mortgages insured from 1935 through 1950 and exposed to policy anniversaries in 1951 or prior termination dates*

Policy year	Type of termination					
	Prepayments in full	Prepayments by supersession	Titles acquired by mortgagees		Others	Total
			Retained by mortgagee	Transferred to FHA		
1st	0.0195096	0.0070076	0.0000810	0.0000919	0.0000410	0.0267311
2d	.0404029	.0115553	.0003219	.0008338	.0000384	.0531523
3d	.0629778	.0151899	.0003821	.0010912	.0000829	.0797239
4th	.0887840	.0165364	.0003746	.0008171	.0001460	.1066581
5th	.1166135	.0154632	.0001908	.0004720	.0005866	.1333261
6th	.1365756	.0144535	.0001466	.0002533	.0002640	.1516930
7th	.1468895	.0135160	.0001007	.0000975	.0002210	.1608247
8th	.1487181	.0126645	.0000843	.0000261	.0004975	.1619905
9th	.1424685	.0127076	.0000724	.0000125	.0004916	.1557526
10th	.1418628	.0114862	.0000449	.0000035	.0044597	.1578571
11th	.1338292	.0097418	.0000438	----------	.0076456	.1512604
12th	.1396817	.0086418	.0000550	----------	.0052750	.1536535
13th	.1410520	.0064244	----------	----------	.0099027	.1573791
14th	.1549683	.0053544	.0000686	----------	.0019221	.1623134
15th	.1991555	.0031886	----------	----------	.0697173	.2720614
16th	.2652542	.0050848	.0008475	----------	.1737288	.4449153

[1] The method of determining these rates is identical with the standard method of computing probabilities.

These annual rates of termination are "crude" or actual rates, as distinguished from "graduated" or smoothed rates. They are based on numbers of mortgages only, and include mortgages with the various terms of financing eligible for insurance under the administrative rules and regulations for Title II, Section 203. Because this insurance program has not been in operation long enough for many of its longer-term mortgages to mature, the rates for the later policy years are based on a smaller aggregate amount of experience than those for earlier policy years. The rates of termination for the first policy year are based on the contracts endorsed for insurance in each calendar year from 1935 through 1950. For the second policy year, they are based on the endorsements in each calendar year from 1935 through 1949. Thus, for the sixteenth policy year, they are based on endorsements of calendar year 1935 only. With time, the accumulation of termination data will provide the merged experience of contracts through that policy year which will represent the longest maturity eligible for insurance under this program.

It should be noted that the rates of termination are influenced not only by the duration of the insurance contract, i. e., the number of policy years during which a contract is exposed to the risk of termination, but also by changes in economic conditions. Annual rates of prepayment in full, for example, can be expected to increase with duration: the smaller the outstanding balance of the loan, the greater the likelihood of prepayment. These rates of prepayment can also be expected to increase with high levels of incomes and savings. In the determination of the rates, the effects of such influences and others are merged.

Home Mortgages in Default

As of the end of 1952, about 10,000 FHA-insured home mortgages were reported by mortgagees to be in default. This represented just over one-half of 1 percent of the insured mortgages in force—a decided improvement over the situation at the end of 1951, when defaulted mortgages numbered some 17,000 or slightly more than 1 percent of the number in force. As indicated earlier, only 1,478 home titles were acquired by mortgagees during 1952, so that more than three-fourths of the net reduction in defaults represented cured defaults with the mortgages returned to good standing or prepaid.

The more favorable picture at the close of 1952 is, of course, a reflection of the reduction in defaults under the two major programs. Section 203 defaults declined to 6,965 from 10,862 the year before, and the ratio of defaults to insurance in force declined from nearly eight-tenths of 1 percent to less than one-half of 1 percent; while Section 603 defaults were down from 6,531 at the end of 1951 to 2,983 and the default ratio fell from 1.8 percent to less than 0.9 percent.

Financial Institution Activity

Origination and holding of FHA-insured mortgages is limited to FHA-approved financial institutions. This approval is automatically extended to certain Federal, State, and municipal government agencies. Members of the Federal Reserve System and institutions participating in the Federal Savings and Loan Insurance and Federal Deposit Insurance Systems are approved upon application. Other applicant institutions obtain approval if they meet certain prescribed qualifications and comply with regulations established for such approval.

Originations and holdings.—Chart 8 shows the distributions by type of institution of the mortgages originated, purchased, and sold in 1952, together with the face amount of mortgages held at the year end by each of the different types of institutions. More detailed information on originations during the year and on holdings at the year end is presented in Table 15.

TYPE OF INSTITUTION ORIGINATING, TRANSFERRING OR HOLDING HOME MORTGAGES
(BASED ON DOLLAR AMOUNT)

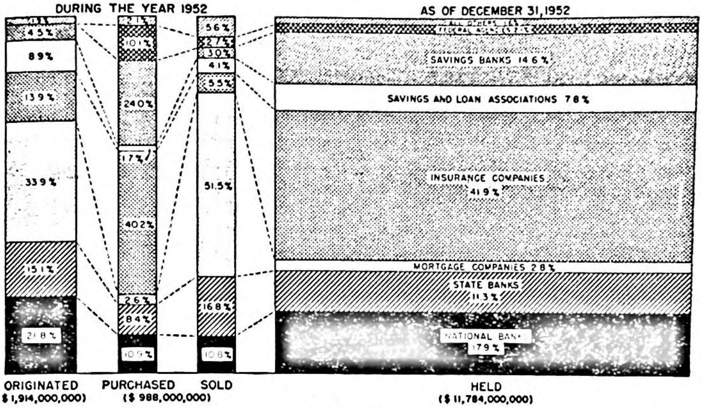

CHART 8.

Nearly 4,000 lending institutions participated in the origination of $1.9 billion of FHA-insured home mortgages in 1952. The most active of these were mortgage companies, which financed about one-third of the total amount. Even higher proportions of the Section 8 (43 percent) and Section 903 (59 percent) mortgages were originated by this type of institution. Virtually all mortgages financed by mortgage companies are sold to banks or insurance companies or to the Federal National Mortgage Association, with the mortgage companies frequently retained as servicing agents.

National banks were the second largest originators of FHA-insured home mortgages in 1952, accounting for over one-fifth of the total dollar volume. State banks and insurance companies ranked next, each with about one-seventh of the total amount of mortgages originated.

Mortgage companies and national banks were the only two types of institutions that originated larged proportions of FHA home mortgages in 1952 than in 1951. Insurance company originations declined from 17 percent to 14 percent, and the State banks' share declined from 16 to 15 percent.

As of December 31, 1952, over 9,400 financial institutions were holding in their portfolios FHA-insured home mortgages totaling nearly $11.8 billion in original face amount.[4] As Table 15 shows, the

[4] It should be noted that, due to the time required for auditing newly insured cases and effecting changes in records occasioned by transfers and terminations of mortgages, the data on mortgages held in portfolio may not reflect some of the actions occurring in the latter part of the year. For example, some $37 million of Sec. 903 insured cases, in process of audit at the end of 1952, are not included in the "holdings" data shown in Table 15.

TABLE 15.—*Originations and holdings of FHA-insured home mortgages by type of institution, 1952*

[Dollar amounts in thousands]

Type of institution [1]	Number of institutions		Mortgages originated 1952			Mortgages held [2] Dec. 31, 1952		
	Originating	Holding	Number	Amount	Percent of amount	Number	Amount	Percent of amount
Total								
National bank	Not available		49,938	$418,178	21.9	320,279	$2,108,695	17.9
State bank			34,110	289,258	15.1	206,575	1,337,378	11.3
Mortgage company			80,257	647,830	33.8	43,845	334,315	2.8
Insurance company			31,114	266,851	13.9	721,221	4,934,088	41.9
Savings and loan assn			21,148	169,842	8.9	139,171	922,347	7.8
Savings bank			10,332	85,317	4.5	242,864	1,716,115	14.6
Federal agency			1	5	(3)	37,726	246,074	2.1
All other [4]			4,522	36,787	1.9	29,299	184,942	1.6
Total			231,422	1,914,067	100.0	1,740,980	11,783,955	100.0
Sec. 8								
National bank	40	63	687	$3,351	11.0	1,036	$4,920	8.9
State bank	54	87	1,066	6,254	20.4	1,046	5,508	9.9
Mortgage company	78	74	2,546	13,029	42.6	1,037	5,262	9.5
Insurance company	21	51	138	650	2.1	1,366	6,439	11.6
Savings and loan assn	65	82	880	4,457	14.6	1,377	6,614	11.9
Savings bank	11	30	366	1,718	5.6	1,640	7,674	13.8
Federal agency	--------	1	--------	--------	--------	3,593	17,797	32.1
All other [4]	6	11	239	1,129	3.7	272	1,287	2.3
Total	275	399	5,922	30,587	100.0	11,367	55,501	100.0
Sec. 203								
National bank	1,069	2,722	47,681	$401,550	22.6	268,281	$1,776,264	19.0
State bank	1,161	3,432	30,763	261,846	14.8	172,187	1,124,277	12.0
Mortgage company	536	612	70,185	570,528	32.2	33,635	260,102	2.8
Insurance company	311	555	30,839	265,142	14.9	557,294	3,853,718	41.1
Savings and loan assn	713	1,610	19,895	162,321	9.1	114,844	770,496	8.2
Savings bank	166	327	9,902	83,094	4.7	188,234	1,331,437	14.2
Federal agency	1	4	1	5	(3)	15,857	104,511	1.1
All other [4]	36	160	3,709	30,440	1.7	23,063	146,128	1.6
Total	3,993	9,422	212,975	1,774,925	100.0	1,373,395	9,366,933	100.0
Sec. 603								
National bank	1	887	5	$40	13.7	50,318	$321,962	14.0
State bank	1	1,152	2	15	5.3	32,376	199,108	8.7
Mortgage company	1	165	22	134	46.1	5,622	37,992	1.7
Insurance company	--------	257	--------	--------	--------	162,542	1,073,758	46.9
Savings and loan assn	--------	652	--------	--------	--------	22,775	143,923	6.3
Savings bank	3	176	16	102	34.9	52,844	375,729	16.4
Federal agency	--------	2	--------	--------	--------	15,836	103,269	4.5
All other [4]	--------	46	--------	--------	--------	5,646	34,552	1.5
Total	6	3,337	45	291	100.0	347,959	2,290,294	100.0
Sec. 903								
National bank	18	14	1,565	$13,238	12.2	644	$5,549	7.8
State bank	28	15	2,279	21,143	19.5	966	8,486	11.9
Mortgage company	76	55	7,504	64,138	59.3	3,551	30,959	43.5
Insurance company	6	6	137	1,059	1.0	19	172	.2
Savings and loan assn	11	6	373	3,063	2.8	175	1,314	1.8
Savings bank	3	6	48	403	.4	146	1,276	1.8
Federal agency	--------	1	--------	--------	--------	2,440	20,497	28.8
All other [4]	5	5	574	5,219	4.8	318	2,976	4.2
Total	147	108	12,480	108,264	100.0	8,259	71,228	100.0

[1] On this and following table, data include only cases tabulated through year end and exclude Sec. 213 and Sec. 611 cases.
[2] Differs from number and amount in force due to lag in tabulation.
[3] Less than 0.05 percent.
[4] On this and the following table, includes industrial banks, finance companies, endowed institutions, private and State benefit funds, etc.

TABLE 16.—*Purchase and sale of FHA-insured home mortgages by type of institution, 1952*

[Dollar amounts in thousands]

Type of institution	Number of institutions		Mortgages purchased			Mortgages sold		
	Purchasing	Selling	Number	Amount	Percent of amount	Number	Amount	Percent of amount
Total								
National bank	Not available		15,263	$107,381	10.9	14,617	$106,471	10.8
State bank			11,662	83,115	8.4	21,846	165,951	16.8
Mortgage company			3,876	26,001	2.6	66,506	509,156	51.5
Insurance company			49,982	397,381	40.2	7,549	54,409	5.5
Savings and loan association			2,465	16,940	1.7	5,332	40,290	4.1
Savings bank			31,739	237,434	24.0	4,383	29,565	3.0
Federal agency			13,966	99,389	10.1	3,963	26,673	2.7
All other			2,752	20,109	2.1	7,509	55,234	5.6
Total			131,705	987,750	100.0	131,705	987,750	100.0
Sec. 8								
National bank	13	11	91	$424	1.7	642	$2,974	11.8
State bank	23	21	151	706	2.8	560	2,940	11.7
Mortgage company	5	84	17	80	.3	3,519	17,159	68.2
Insurance company	23	9	686	3,248	12.9	47	223	.9
Savings and loan association	4	10	145	684	2.7	76	423	1.7
Savings bank	17	--------	693	3,248	12.9	--------	--------	--------
Federal agency	1	1	3,344	16,660	66.2	10	47	.2
All other	5	4	23	109	.5	296	1,395	5.5
Total	91	140	5,150	25,160	100.0	5,150	25,160	100.0
Sec. 203								
National bank	385	309	14,496	$102,984	11.2	13,218	$97,780	10.6
State bank	432	396	11,011	79,174	8.6	19,870	152,554	16.6
Mortgage company	106	533	3,672	24,445	2.7	61,309	478,045	52.0
Insurance company	223	211	48,364	388,603	42.3	6,747	50,170	5.4
Savings and loan association	112	140	2,168	15,117	1.6	5,078	38,339	4.2
Savings bank	158	39	30,411	230,162	25.0	3,956	27,356	3.0
Federal agency	1	2	8,133	61,802	6.7	3,784	25,647	2.8
All other	38	27	2,319	17,101	1.9	6,612	49,497	5.4
Total	1,455	1,657	120,574	919,388	100.0	120,574	919,388	100.0
Sec. 603 [1]								
National bank	44	35	672	$3,939	19.6	363	$2,756	13.7
State bank	35	49	500	3,235	16.1	747	4,436	22.0
Mortgage company	12	25	72	441	2.2	163	1,071	5.3
Insurance company	39	21	923	5,458	27.1	750	3,959	19.7
Savings and loan association	13	14	152	1,139	5.6	89	768	3.8
Savings bank	30	8	505	2,880	14.3	427	2,209	11.0
Federal agency	1	2	27	152	.7	165	946	4.7
All other	7	6	410	2,898	14.4	557	3,997	19.8
Total	181	160	3,261	20,141	100.0	3,261	20,141	100.0
Sec. 903								
National bank	1	7	4	$33	0.1	394	$2,961	12.9
State bank	--------	6	--------	--------	--------	669	6,021	26.1
Mortgage company	1	32	115	1,035	4.5	1,515	12,882	55.9
Insurance company	1	2	9	73	.3	5	56	.2
Savings and loan association	--------	3	--------	--------	--------	89	760	3.3
Savings bank	3	--------	130	1,144	5.0	--------	--------	--------
Federal agency	2	1	2,462	20,775	90.1	4	33	.1
All other	--------	3	--------	--------	--------	44	316	1.5
Total	8	54	2,720	23,060	100.0	2,720	23,060	100.0

[1] Includes 165 mortgages for $959,000 insured under Sec. 603 pursuant to Sec. 610.

major portion of this amount—42 percent—was held by insurance companies. No other type of institution approached this volume of holdings. Next in rank, but with only 18 percent of the total, were national banks, followed by savings banks with 15 percent and State banks with 11 percent.

Although holding only 2 percent of total mortgages under all programs, Federal agencies—principally FNMA—had the largest portfolio of Section 8 mortgages (32 percent) and the second largest holding of Section 903 mortgages (29 percent) in force at the year end. For all home mortgage programs combined, the proportions held by the different types of institutions at the end of 1952 did not vary materially from the distribution at the previous year end.

Transfers.—Secondary market activity in FHA-insured home mortgages during 1952 is indicated in Table 16. A total of 132,000 mortgages with face amounts totaling nearly $990 million were reported transferred among the different types of lending institutions during the year. This was 28 percent fewer than the number and 25 percent less than the amount of transfers reported in 1951. More than 90 percent of these mortgages were insured under Section 203, with Sections 8, 603, and 903 accounting for the remainder in almost equal proportions. The amount of Section 8 mortgage transfers was more than 6 times the 1951 volume, while the amount of Section 603 transfers was only one-fifth as large as in 1951.

Most active in the secondary market for FHA-insured mortgages were insurance companies, which accounted for 40 percent of the purchases, and mortgage companies, which made more than half of the sales. Second in volume of purchases were the savings banks with 24 percent of the total, followed by national banks with 11 percent and Federal agencies with 10 percent. Ranking next to mortgage companies in sales of FHA-insured mortgages during 1952, but at substantially lower rates, were State banks and national banks, which accounted for 17 percent and 11 percent, respectively, of total sales.

Among the more significant developments in the secondary market during 1952 was the marked increase in the proportion of total purchases made by the Federal agencies, from 3 percent in 1951 to 10 percent in 1952, and the decline in the buying activity of insurance companies from 51 percent to 40 percent.

Home Mortgage Loan Characteristics

As indicated in Table 4, privately financed construction was started during 1952 in the Nation's nonfarm areas on nearly 1,069,000 new family units. Privately owned financial institutions advanced construction loans and provided long-term financing for most of these units. Nearly 280,000, or 26 percent, of these privately financed units placed under construction during the year were started under the FHA's system of compliance inspections. Of the FHA-inspected units, 229,000 were approved under the home mortgage programs and the remainder under the project mortgage programs.

About 194,000 new dwelling units were reported completed (received third compliance inspections) under FHA home mortgage programs during 1952. Nearly 123,000 of these units, plus some 123,000 existing units, were covered by mortgages insured by FHA. A detailed analysis of the characteristics of these insured home mortgages, the properties securing them, and the mortgagors involved in the transactions appears on the following pages. A similar analysis of the various project programs, based on FHA commitments issued during the year, is presented later in this report, followed by an analysis of the characteristics of the property improvement loans insured under Title I, Section 2.

The bulk of the new-home mortgages (84 percent) and nearly all of the existing-home mortgages (97 percent) insured during the year came under the provisions of the long-term Section 203 program. Consequently, the analysis of the characteristics of home mortgage transactions is largely confined to cases insured under this section. In addition, however, brief statistical summaries are presented on the characteristics of the home mortgage transactions insured under Sections 8 and 903.[5]

About 96 percent of the new- and existing-home mortgages insured under Section 203 in 1952 were secured by single-family structures. For new homes, this reflects the highest proportion of 2- to 4-family structures reported in any year since 1937. The proportion of new 2-family properties increased to a high of 3 percent—2½ times the proportion reported for 1951 (Table 17). Part of this increase may be attributed to construction of 2-family rental properties under Section 203 in critical defense areas.

Owner-occupants were the mortgagors in 93 percent of the new single-family homes and in practically all the existing single-family homes securing mortgages insured under Section 203 in 1952.

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[5] The data used in these analyses were based on the following samples:

1. Sec. 203—28,000 new-home and 33,000 existing-home cases selected from mortgages insured under Sec. 203 during the first 10 months of 1952.
2. Sec. 8—all new-home mortgages insured since the beginning of operations (April 20, 1950) through December 31, 1952.
3. Sec. 903—10,000 single-family and 2,000 two-family cases selected from mortgages insured in 1952.

TABLE 17.—*Structures and dwelling units in 1- to 4-family homes, Sec. 203, selected years*

Units per structure	New homes					Existing homes				
	1952	1951	1950	1946	1940	1952	1951	1950	1946	1940
	Structures—Percentage distribution									
One	96.1	98.5	99.0	98.7	99.0	96.3	95.6	95.5	93.6	92.7
Two	3.1	1.2	.9	1.0	.7	3.3	3.8	4.1	5.8	6.1
Three	.2	.1	([1])	.1	.1	.2	.3	.2	.3	.7
Four	.6	.2	.1	.2	.2	.2	.3	.2	.3	.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Dwelling units—Percentage distribution									
One	91.3	96.5	97.7	96.9	97.7	92.3	90.8	90.1	87.4	85.0
Two	5.8	2.3	1.8	2.1	1.5	6.3	7.3	7.8	10.9	11.3
Three	.5	.3	.1	.2	.2	.6	.8	.7	.7	1.8
Four	2.4	.9	.4	.8	.6	.8	1.1	1.4	1.0	1.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Average	1.05	1.02	1.01	1.02	1.01	1.04	1.05	1.06	1.07	1.09

[1] Less than 0.05 percent.

In the case of new homes, this marks a decline from 96 percent for owner-occupant new-home mortgagors in 1951. In 1952, the remaining new single-family home mortgagors under Section 203 included 4 percent builder-mortgagors and 3 percent landlords.

Chart 9 shows that the mortgage amounts, property values, land prices, and mortgagors' incomes reported for Section 203 cases insured in 1952 attained the highest levels in the agency's history. These increases over 1951 levels were not unexpected, in view of the moderate increases reported during the year in construction costs, prices of developed sites and raw acreage, and personal incomes. Other factors contributing to the upward trends in FHA mortgage amounts, property values, and mortgagors' incomes during the year included:

1. The larger equities and higher mortgage payments resulting from the downpayment requirements and curtailed mortgage durations provided in the credit restrictions imposed by FHA consistent with Regulation X of the Federal Reserve Board. These restrictions tended to narrow the market to home buyers with assets and incomes somewhat higher than those of the FHA home buyers of previous years. Although the credit restrictions[6] were liberalized in June and almost completely relaxed in September 1952, they affected a substantial number of new-home transactions which, although insured in

[6] See footnote 9 in this section for outline of provisions of credit controls.

CHARACTERISTICS OF FHA MORTGAGES, HOMES, AND MORTGAGORS
SINGLE-FAMILY HOME MORTGAGES INSURED UNDER SECTION 203
SELECTED YEARS 1940-1952

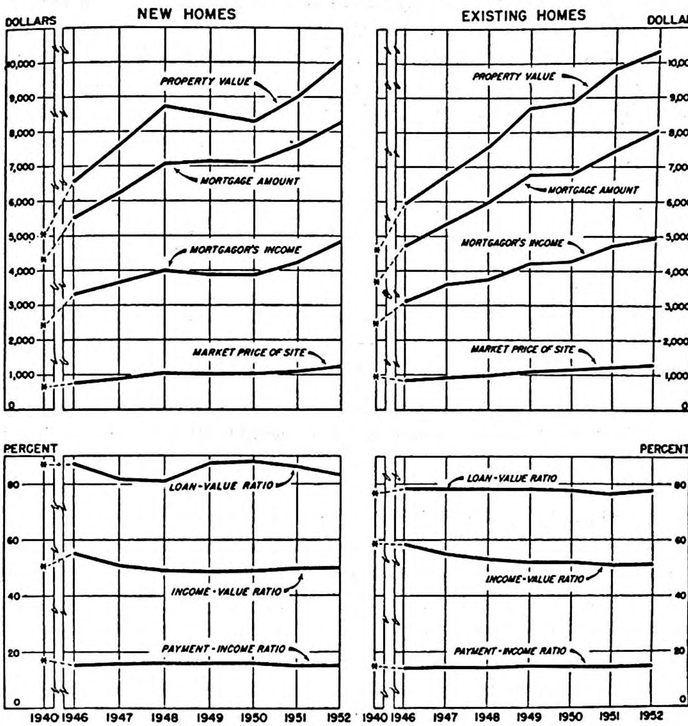

CHART 9.

1952, had been initially approved in the latter part of 1951 or the first part of 1952. All the existing-construction cases insured during the first 5 months of 1952 were of course also subject to these requirements.

2. The desires of home buyers for more spacious homes, with more bedrooms and more frequently with garage facilities. It is probable also that these larger homes provide improved heating and kitchen equipment and other improvements as well. The increased size of the typical family due to the high postwar birthrate was of course a major factor in the demand for larger houses.

3. The aggregate operations in the home mortgage market, which established new records in 1952 with more than $18 billion of mortgage recordings, as reported by the Federal Home Loan Bank Board. The rising average size of mortgage recorded, which is presented below, suggests that the combination of credit controls, high levels of income, and stability in home prices induced an increase in home purchases by higher income families throughout the Nation's population, including families using FHA-insured mortgages.

Period:	*Average mortgage recorded*
1951	$5, 701
1952	
1st quarter	5, 841
2d quarter	5, 912
3d quarter	5, 932
4th quarter	6, 100

The upper portion of Chart 9 shows the sustained upward trends that have occurred in FHA mortgage amount, property value, market price of site, and mortgagor's income during the postwar period. The significance of these increases, however, should be considered in the light of the ratios shown in the lower portion of the chart. Since 1946, the ratio of payment to income has remained almost constant, fluctuating in the narrow range from 15.1 to 16.0 percent in the case of new-home transactions, and from 14.3 to 14.8 percent for existing homes. On the average, the 1952 mortgagors were required to devote slightly smaller portions of their income to mortgage payments than did the 1940 mortgagors. The ratio of income to property value has also shown only minor variations in the years since 1947. The loan-to-value ratio curve for new homes reflects the changes in the maximum ratios resulting from amendments to the National Housing Act and from credit controls. The ratio for existing homes shows only slight variation since 1946, with a modest upturn in 1952 occasioned by the relaxation of credit controls.

A brief but comprehensive picture of the characteristics of Section 203 insured mortgage transactions in 1952 is provided by the following analysis of the typical new- and existing-home cases. Comparable data for selected earlier years are shown in Table 18.

Typical new-home transaction.[7]—The median mortgage insured under Section 203 in 1952 amounted to $8,273—nearly $700 above the amount reported for 1951. As a result of this increase and the shorter average term of 21.7 years (nearly 2 years less than in 1951), the typical monthly mortgage payment rose to $64.16—about $5 more than the 1951 figure.

Securing this typical mortgage was a property appraised under the FHA valuation procedure at $10,022, including a new single-family house, all other physical improvements, and a lot with a market price of $1,227. Compared with 1951, the median property value in 1952 was about $1,000 higher and the average land price about 12 percent more.

Contributing to this rise in the estimated property value was an increase in the size of the typical new structure as indicated below:

Median	1952	1951
Number of rooms	5.3	5.2
Number of bedrooms	3.1	2.9
Calculated area (square feet)	923	879

The changes in the median number of rooms and bedrooms become more significant in the light of the rise in the proportion of homes

[7] Throughout this report the use of technical terms is in keeping with the following definitions, which have been established by the FHA Underwriting Division in connection with their procedures for the appraisal of properties and the evaluation of mortgage risk.

Estimate of property value is the price that typical buyers would be warranted in paying for the property (including the house, all other physical improvements, and land) for long-term use or investment, if they were well informed and acted intelligently, voluntarily, and without necessity.

Market price of site is an estimate by FHA for an equivalent site, including any street improvements or utilities, rough grading, terracing, and retaining walls.

Number of rooms excludes bathrooms, toilet compartments, closets, halls, storage, and similar spaces.

Mortgagor's effective income is the estimated amount of the mortgagor's earning capacity that is likely to prevail during approximately the first third of the mortgage term.

Total monthly mortgage payment includes monthly payment for first year to principal, interest, FHA insurance premium, hazard insurance, taxes and special assessments, and any miscellaneous items including ground rent.

Replacement cost includes estimated cost of building and other physical improvements, land, and miscellaneous allowable costs for the typical owner.

Total requirements include the total amount, including mortgage funds, necessary to close the transaction, less any prepayable expenses such as unaccrued taxes, insurance premiums, and similar items.

Sale price is the price stated in the sale agreement.

Taxes and assessments include real estate taxes and any continuing non-prepayable special assessments.

Prospective monthly housing expense includes total monthly mortgage payment for first year, estimated monthly cost of maintenance, and regular operating expense items (water, gas, electricity, fuel).

Rental value is estimated on the basis of typical year-round tenant occupancy, excluding any premium obtainable because of local housing shortages or newness of the individual property.

Calculated area is the area of spaces in the main building above basement or foundations, measured at the outside surfaces of exterior walls. Garage space and finished spaces in attic are excluded.

with 5 or more rooms—from 56 percent in 1951 to 62 percent in 1952—and those with 3 or more bedrooms—from 46 percent to 59 percent. Also noteworthy is the 5 percent increase in the area of the structures. Thus, 1952 was the second consecutive year in the postwar period in which the typical new dwelling securing a Section 203 insured mortgage was larger than in the preceding year. The demand for larger houses is a reflection of such factors as the increase in both the size and the income of the typical family in recent years.

TABLE 18.—*Characteristics of mortgages, homes, and mortgagors for single-family home transactions, Sec. 203, selected years*

Year	New homes	Existing homes	New homes	Existing homes	New homes	Existing homes	New homes	Existing homes
	Amount of mortgage [1]		Duration in years [2]		Loan as a percent of FHA value [1]		1-family as a percent of 1- to 4-family	
1952	$8,273	$8,047	21.7	19.7	83.7	77.9	95.7	96.3
1951	7,586	7,448	23.4	21.1	86.5	76.6	98.5	95.6
1950	7,101	6,801	24.1	20.2	88.0	77.8	99.0	95.5
1949	7,143	6,778	22.8	19.8	87.3	78.0	98.9	96.1
1946	5,504	4,697	21.0	18.9	87.0	78.4	98.7	93.6
1943	(3)	4,312	(3)	18.3	(3)	(3)	(3)	94.6
1940	[4] 4,358	[4] 3,687	[5] 23.0	[5] 17.5	87.0	76.8	99.0	92.7
	Property value [1]		Market price of site [2]		Number of rooms [1] [6]		Percent with garages	
1952	$10,022	$10,289	$1,227	$1,296	5.3	5.5	53.4	70.7
1951	9,007	9,843	1,092	1,222	5.2	5.6	49.6	69.5
1950	8,286	8,865	1,035	1,150	4.9	5.6	48.7	70.6
1949	8,502	8,700	1,018	1,098	4.9	5.6	49.6	70.4
1946	6,558	5,934	761	833	5.5	5.9	58.1	83.4
1943	(3)	5,535	(3)	956	(3)	[5] 6.3	(3)	85.8
1940	5,028	4,600	662	948	5.6	6.3	75.6	87.2
	Mortgagor's effective annual income [1] [7]		Total monthly payment [1] [7]		Payment as a percent of income [7] [8]		Ratio of property value to annual income [7] [8]	
1952	$4,811	$4,938	$64.16	$65.08	15.1	14.5	1.99	1.95
1951	4,225	4,726	58.84	61.57	15.1	14.4	2.00	1.96
1950	3,861	4,274	54.31	56.65	15.8	14.6	2.04	1.92
1949	3,880	4,219	55.59	56.12	16.0	14.8	2.05	1.92
1946	3,313	3,101	46.18	40.83	15.3	14.3	1.81	1.71
1943	(3)	3,062	(3)	[5] 39.80	(3)	14.6	(3)	1.67
1940	2,416	2,490	[5] 35.15	[5] 34.56	17.2	15.1	1.97	1.70

[1] Data shown are medians.
[2] Data shown are averages (arithmetic means).
[3] Data not available.
[4] Based on 1- to 4-family home mortgages.
[5] Estimated.
[6] Throughout this report medians are computed on the assumption that all characteristics distributions are represented by continuous data within groups.
[7] Throughout this report distributions of mortgage payment, housing expense, and mortgagor's income, as well as characteristics relating to income, are based on owner-occupant cases only.
[8] Based on arithmetic means.

The larger size of the house is not the only reason for the higher value of the typical new FHA property. Higher land costs occasioned by increases in the prices of raw acreage and development costs are reflected in the 12 percent rise in the average price of site.

The typical buyer of a new home insured by FHA under Section 203 in 1952 had an income of $4,811, or nearly $600 more than his 1951 counterpart. Consequently, despite the increase in mortgage payment, the portion of the buyer's income required for that purpose was the same as in the previous year—15.1 percent. Similarly, the relationship between the property value and the mortgagor's income showed little change from 1951, with property value continuing to average about twice as much as income.

The previously indicated reduction in the average term of new-home mortgages insured by FHA from 23.4 years in 1951 to 21.7 years in 1952 was in part due to the credit controls applied by FHA consistent with Regulation X issued by the Federal Reserve Board. Even more marked evidence of the effect of these controls on FHA's new-home transactions in 1952 is the decline in the median ratio of loan to value from 86.5 in 1951 to 83.7 in 1952. As shown in Table 18 and in the lower portion of Chart 9, this continues a trend begun after 1950, the year in which Regulation X went into effect.

Typical existing-home transaction.—The typical existing-home mortgage insured under Section 203 in 1952 was $8,047, nearly $600 more than the 1951 median. The mortgage term averaged 19.7 years, as against 21.1 years in the preceding year. This combination of mortgage amount and term resulted in a median monthly payment for existing-home transactions in 1952 of $65.08, or $3.50 more than in 1951.

The typical existing home securing a Section 203 mortgage insured in 1952 had an FHA value of $10,289, only $450 more than the comparable figure for 1951. The estimated market price of the site averaged $1,296, compared with the $1,222 average for the preceding year.

The increased value of the typical existing home in 1952 was not accompanied, as in the case of new homes, by an increase in the size of the structure. To the contrary, there was a slight decrease—the median number of rooms declining from 5.6 to 5.5 and the calculated area from 1,011 to 992 square feet. The number of bedrooms in the typical existing home in 1952—3.1—was unchanged, however, from 1951.

The smaller size of the typical existing home insured by FHA in 1952 may be partially attributed to the increased proportion of newly constructed properties included by FHA in the "existing-home" category. (Only properties involving proposed construction at the time of application for FHA insurance are classified as "new.") Recent analyses have indicated that the proportion of new properties submitted for mortgage insurance as existing structures has been steadily rising in the last 2 years, probably due to the fact that new properties did not receive special credit advantages under the terms of Regulation X. The size-of-structure data in Table 18 indicate that new homes constructed in the postwar period have tended to have a smaller room count than existing houses.

The typical mortgagor involved in existing-home cases insured under Section 203 in 1952 had an annual effective income of $4,938, about $200 higher than that of the typical 1951 mortgagor. There was, however, no significant change in the portion of income required for the monthly mortgage payment, which increased only slightly from 14.4 to 14.5 percent. The ratio of property value to income for 1952 existing-home cases averaged 1.95, practically unchanged from 1951.

Typical Section 8 and Section 903 transactions.—The typical Section 8 transaction covered by insurance written through the end of 1952 involved a mortgage of $4,747, a single-family property valued by FHA at $5,325, a lot with a market price of $575, and a mortgagor with a monthly income of about $300. The house had 4 rooms, including 2 bedrooms, and a calculated area of 685 square feet. The total monthly mortgage payment was nearly $37 (including $5.48 for real estate taxes), while the prospective monthly housing expense averaged about $52.

In the typical Section 903 transaction, the mortgage amounted to $7,916 and was secured by a single-family property valued at $8,933, including land with an estimated market price of $1,104. The house contained nearly 5 rooms (of which 3 were bedrooms) and had a calculated area of 843 square feet. It was estimated that the prospective monthly housing expense would be about $63, of which $51 covered the total monthly mortgage payments for interest, principal, hazard insurance premiums, FHA insurance premium, and real estate taxes (in the amount of $6.29).

Amount of mortgage.—The majority of the Section 203 mortgages insured in 1952 involved mortgage amounts of from $6,000 to $9,999 (Table 19 and Chart 10). Only 4 percent of the new-home mortgages amounted to less than $6,000, and only 11 percent involved $10,000 or more. One-half of the total number of these mortgages were in the interval from $7,000 to $8,999, with the median mortgage amounting to $8,273 or about 9 percent above the $7,586 reported for 1951.

This increase is indicative of the marked upward shift in the mortgage amounts insured under Section 203 during 1952. The proportion of new-home mortgages of $4,000 to $5,999 declined from 8 percent in 1951 to 4 percent in 1952, while those in the $6,000 to $7,999 bracket dropped from 54 to 37 percent. On the other hand, 47 percent of the 1952 new-home mortgages involved $8,000 to $9,999, compared with 32 percent the year before, and the proportion in the $10,000 to $11,999 group increased to 10 percent.

Existing-home mortgages insured under Section 203 during 1952 also exhibited the same general upward trend. The typical existing-home mortgage increased by 8 percent from $7,448 in 1951 to $8,047 for 1952. Only 10 percent of the existing-home mortgages insured in 1952 were in the $4,000 to $5,999 range, compared with 18 percent in the previous year, while, as in the new-home transactions, the proportions of mortgages ranging upward from $8,000 increased over 1951.

TABLE 19.—*Amount of mortgage for single-family homes, Sec. 203, selected years*

Amount of mortgage	New homes					Existing homes				
	1952	1951	1950	1946	1940 [1]	1952	1951	1950	1946	1940 [1]
	Percentage distributions									
Less than $2,000	--------	--------	(2)	0.1	0.5	(2)	(2)	0.2	1.0	7.3
$2,000 to $2,999	0.1	0.1	(2)	1.1	10.4	0.2	0.7	1.2	7.6	24.5
$3,000 to $3,999	.2	.3	0.4	7.1	28.6	.8	1.8	3.0	19.2	26.6
$4,000 to $4,999	.8	1.2	1.1	22.6	29.1	2.7	5.7	8.3	29.0	19.1
$5,000 to $5,999	3.3	6.4	9.0	31.4	20.7	7.0	11.9	16.3	21.3	9.7
$6,000 to $6,999	14.5	23.6	33.0	25.0	6.1	15.6	19.7	22.0	11.0	5.6
$7,000 to $7,999	22.5	30.6	28.5	9.5	2.4	20.4	20.4	18.0	4.7	2.5
$8,000 to $8,999	27.4	21.0	16.0	2.4	1.1	21.7	17.5	13.0	2.7	1.8
$9,000 to $9,999	20.0	11.0	8.3	.4	.4	15.5	10.6	7.2	1.2	.9
$10,000 to $10,999	7.6	3.0	1.9	.2	.4	10.5	7.3	4.5	1.1	1.1
$11,000 to $11,999	2.5	1.4	.8	.2		4.1	3.1	1.9	.2	
$12,000 to $13,999	.7	.9	.7	(2)	.3	1.1	.8	2.4	.5	.9
$14,000 to $16,000	.4	.5	.3	--------		.4	.5	1.4	.5	
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Average	$8,238	$7,675	$7,307	$5,548	$4,424	$8,044	$7,469	$7,102	$4,929	$3,977
Median	8,273	7,586	7,101	5,504	4,358	8,047	7,448	6,801	4,697	3,687

[1] 1-to 4 family distribution.
[2] Less than 0.05 percent.

AMOUNT OF MORTGAGE
FHA-INSURED MORTGAGES ON SINGLE-FAMILY HOMES
SECTION 203, 1952

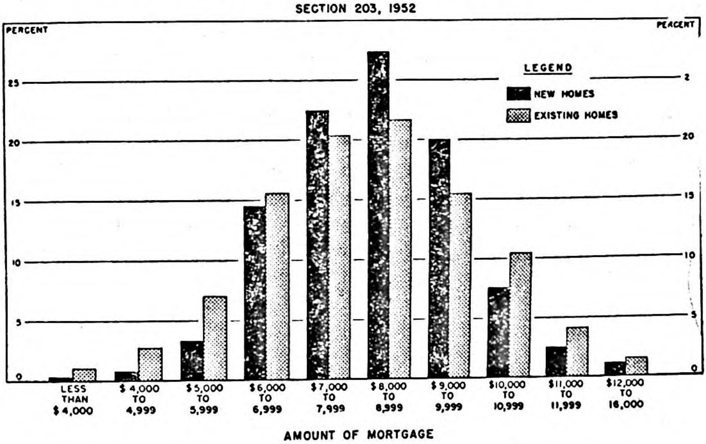

CHART 10.

Mortgage amounts under Sections 8 and 903.—The mortgage amounts insured on new single-family homes under the Section 8 low-cost housing program and the Section 903 defense housing program were at somewhat lower levels than the Section 203 loans. The following tables indicate the distributions of Section 8 and Section 903 mortgages by amount-of-mortgage classes:

Sec. 8		Sec. 903	
Mortgage amount	Percent distribution	Mortgage amount	Percent distribution
Less than $3,500	0.5	Less than $6,000	2.8
$3,500 to $3,999	1.3	$6,000 to $6,999	15.8
$4,000 to $4,499	5.1	$7,000 to $7,499	16.6
$4,500 to $4,999	83.0	$7,500 to $7,999	16.8
$5,000 to $5,999	.0	$8,000 to $8,499	25.2
$6,000 to $6,999	.3	$8,500 to $8,999	10.4
$7,000	9.8	$9,000 or more	12.4
Total	100.0	Total	100.0

Section 8 mortgages averaged about $4,915, with the median loan amounting to $4,747 and the great bulk of individual cases concentrated at the statutory limits of $4,750 for regular mortgages and $7,000 for mortgages financing new construction replacing disaster-destroyed homes.

Mortgages insured on new single-family properties under the Section 903 defense housing program during 1952 averaged $7,750, while the typical loan had a somewhat higher amount of $7,916. For new 2-family properties (outnumbered by single-family at the rate of 5 to 1) the average amount was $13,288, the median amount $13,060. The preceding table shows that nearly three-fifths of the Section 903 mortgages on single-family properties were for amounts of $7,000 to $8,499, with less than one-fourth amounting to $8,500 or more and slightly less than a fifth having amounts of less than $7,000.[8]

Relationship of amount of mortgage to property value.—Table 20 shows, by property value groups, the percentage distributions of the single-family home mortgages insured under Section 203 in 1952 by ratio of loan to value. These data clearly demonstrate the effects of the maximum loan limitations prescribed by FHA during the year in line with Regulation X of the Federal Reserve Board. Due to the time required for construction, most of the new-home cases covered by the sample selected for this analysis, which were reported insured in the period from January through October 1952, represent transactions approved for insurance either under the credit controls in

[8] The maximum mortgage amounts permitted under Section 903 during most of 1952 were:

	1-family homes	*2-family homes*
1 or 2 bedrooms	$8,100	$15,000
3 bedrooms	9,150	17,100
4 or more bedrooms	10,200	19,300

On October 29, 1952, the FHA Commissioner announced that consideration would be given to increasing the maximum insurable mortgage amounts by as much as $900 for 1-family properties and $1,000 for 2-family properties located in those critical defense housing areas where high construction costs were found to be retarding the defense housing programs approved for such areas.

effect from September 1, 1951 through June 10, 1952, or under the modified controls in effect from June 11 through September 15.[9] Because of the typically shorter term between application and insurance, comparatively more of the existing-home cases insured in 1952 came under the liberalized controls of June 11 and the relaxed regulations of September 16 than was the case for the new-home transactions. This is reflected by the rise in the average and median loan-to-value ratios for existing homes as contrasted with the declines in the comparable figures reported for new homes in 1952.

The distributions in Table 20 clearly show concentrations of insured cases at the maximum ratios permitted under the regulations as amended pursuant to Regulation X. In certain of the new-home value groups ($7,000 to $7,999, $10,000 to $10,999, and $11,000 to $11,999) the clustering of the cases in two adjacent ratio brackets reflects the increases in maximum ratios under the June 11, 1952 amendments. Those new homes in the $8,000 to $11,999 value range with ratios in excess of the maximum permitted under the regulations represent either programed defense housing (not subject to credit curbs) or cases insured after September 16, 1952, when the maximum statutory ratios were restored. The existing homes valued at $11,000 or less and having loan-to-value ratios in excess of 80 percent represent properties previously approved for FHA insurance prior to start of construction and, therefore, eligible for the higher mortgage amounts.

[9] The maximum mortgage amount limitations in effect during 1952 with respect to owner-occupant transactions were as follows:

Under regulation of Sept. 1, 1951		Under regulation of June 11, 1952	
Acquisition cost per family unit	Maximum loan per family unit	Acquisition cost per family unit	Maximum loan per family unit
$7,000 or less	90 percent of cost.	$7,000 or less	95 percent of cost.
$7,001 to $10,000	85 percent of cost.	$7,001 to $10,000	$6,300 plus 75 percent of cost over $7,000.
$10,001 to $12,000	80 percent of cost.		
$12,001 to $15,000	$9,600 plus 40 percent of cost over $12,000.	$10,001 to $15,000	$8,550 plus 55 percent of cost over $10,000.
$15,001 to $20,000	$10,800 plus 20 percent of cost over $15,000.	$15,001 to $21,000	$11,300 plus 45 percent of cost over $15,000.
$20,001 to $24,500	$11,800 plus 10 percent of cost over $20,000.	$21,000 to $25,000	$14,000 plus 25 percent of cost over $21,000.
Over $24,500	50 percent of cost.	Over $25,000	60 percent of cost.

Effective September 16, 1952, FHA relaxed and modified its credit control requirements by (1) restoring the statutory maximum loan-to-value ratios and (2) reimposing a $14,000 limitation on mortgages covering single-family dwellings. The requirement that the mortgagor certify that the down payment was not borrowed (other than on a life insurance policy), and the maximum maturities of the mortgages (25 years for mortgages on homes costing $12,000 or less; 20 years for others) remained unchanged. The regulations as restored under the September 16 amendments provided that those transactions involving owner-occupant mortgagors and mortgage amounts of $9,450 or less might be insured on the basis of 95 percent of the first $7,000 of value and 70 percent of additional value not exceeding $11,000. To encourage the construction of larger low-cost homes, another section of the regulations provides a maximum 95 percent ratio of loan to value in owner-occupant transactions where the mortgage does not exceed $6,650 on a 2-bedroom property, $7,600 on a 3-bedroom property, and $8,550 on a 4- or-more-bedroom property. These provisions apply only to those transactions where the property has been approved for FHA insurance prior to the beginning of construction and constructed under the FHA compliance inspection system. For all other types of single-family home transactions insured during 1952, the maximum loan-to-value ratio was 80 percent and the maximum mortgage amount was $14,000, with the exception of the period from June 11 through September 15, when $16,000 was the maximum.

TABLE 20.—*Ratio of loan to value by property value of single-family homes, Sec. 203, 1952*

FHA estimate of property value	Percentage distribution	Median loan-value ratio	Ratio of loan to value—Percentage distribution							
			50 percent or less	51 to 60 percent	61 to 70 percent	71 to 75 percent	76 to 80 percent	81 to 85 percent	86 to 90 percent	91 to 95 percent	Total
New homes											
Less than $6,000	0.4	89.5	1.0	------	------	1.0	2.8	6.6	54.7	33.9	100.0
$6,000 to $6,999	3.8	92.2	.3	0.4	0.1	.6	7.5	6.0	19.1	66.0	100.0
$7,000 to $7,999	10.4	89.7	.5	.4	1.1	1.2	8.4	10.0	38.2	40.2	100.0
$8,000 to $8,999	15.9	88.1	.8	1.2	1.9	3.7	7.9	14.3	49.0	21.2	100.0
$9,000 to $9,999	18.8	86.9	.6	1.2	2.4	5.6	7.8	21.8	60.5	.1	100.0
$10,000 to $10,999	16.9	84.2	.7	1.8	4.0	7.9	14.5	32.8	38.3	------	100.0
$11,000 to $11,999	12.8	80.9	1.5	2.5	8.0	9.0	29.4	49.6	------	------	100.0
$12,000 to $12,999	9.0	77.5	2.4	3.0	10.6	12.2	71.8	------	------	------	100.0
$13,000 to $13,999	5.4	76.7	2.6	5.0	14.5	19.6	58.3	------	------	------	100.0
$14,000 to $15,999	4.4	73.1	3.6	6.2	25.2	36.1	28.9	------	------	------	100.0
$16,000 to $19,999	1.8	69.1	6.2	9.7	44.7	16.6	22.8	------	------	------	100.0
$20,000 or more	.4	63.5	12.0	32.0	30.0	10.0	16.0	------	------	------	100.0
Total	100.0	83.7	1.3	2.2	6.3	8.4	21.5	18.9	31.2	10.2	100.0
Existing homes											
Less than $6,000	1.4	78.1	2.4	2.9	10.1	7.2	65.9	2.2	2.9	6.4	100.0
$6,000 to $6,999	3.8	79.1	1.1	1.6	10.4	7.0	49.0	2.3	8.4	20.2	100.0
$7,000 to $7,999	8.4	79.0	1.4	2.1	7.8	5.5	54.9	4.3	9.3	14.7	100.0
$8,000 to $8,999	13.6	79.0	1.1	2.3	8.3	7.2	52.3	6.8	15.2	6.8	100.0
$9,000 to $9,999	15.3	78.7	.8	1.9	8.8	7.4	56.9	7.3	16.9	(1)	100.0
$10,000 to $10,999	15.6	78.3	1.4	2.7	9.4	8.0	62.1	7.8	8.6	------	100.0
$11,000 to $11,999	13.3	77.8	1.4	2.9	11.5	12.0	62.7	9.5	------	------	100.0
$12,000 to $12,999	11.1	77.3	2.1	3.6	13.0	14.0	67.3	------	------	------	100.0
$13,000 to $13,999	7.2	76.7	2.0	4.2	16.6	18.8	58.4	------	------	------	100.0
$14,000 to $15,999	6.9	73.4	4.2	6.0	23.9	33.2	32.7	------	------	------	100.0
$16,000 to $19,999	2.8	67.9	5.8	13.1	51.0	17.5	12.6	------	------	------	100.0
$20,000 or more	.6	60.3	19.4	34.4	29.7	5.1	11.4	------	------	------	100.0
Total	100.0	77.9	1.8	3.3	12.6	11.5	55.6	4.8	7.4	3.0	100.0

Less than 0.05 percent.

Table 21 shows the distributions of the loan-value ratios for the new- and existing-home mortgages insured under Section 203 during 1952, together with comparable data for selected years since 1940. The most significant development in 1952 revealed by these data is the effectiveness of the credit curbs in reducing the proportion of new-home loans in the highest loan-value ratio brackets (86 to 95 percent) from 54 percent to 41 percent. On the other hand, the higher proportion of existing-home loans insured under the more liberal credit regulations is manifested by the increases registered by the ratios in the 76 to 80 percent and 86 to 90 percent brackets. The median new-home loan-value ratios shown for the various years indicate that, except under the full impact of credit regulations in 1952, the portion of the property value covered by the mortgages insured in the postwar period has not varied significantly—the considerably higher construction costs being offset by liberalization of Section 203 maximum mortgage terms. The typical existing-home transaction has also been marked by a fairly constant loan-value relationship—the ratio varying but little from 77 percent.

Relationship of amount of mortgage to total requirements.—A more complete picture of Section 203 insured mortgage financing is provided by the relationship of mortgage amounts to mortgagor's total requirements—in other words, by a determination of what portion of the buyer's total cost (sale price plus costs incidental to making the purchase) was covered by the mortgage amount.

TABLE 21.—*Ratio of loan to value of single-family homes, Sec. 203, selected years*

Ratio of loan to value (percent)	New homes					Existing homes				
	1952	1951	1950	1946	1940	1952	1951	1950	1946	1940
	Percentage distributions									
50 or less	1.3	1.1	0.6	0.6	0.4	1.8	2.9	2.1	1.3	2.3
51 to 55	.9	.6	.4	.8	.2	1.2	1.9	1.4	.9	1.7
56 to 60	1.3	1.0	.5	.8	.5	2.1	3.0	2.2	1.2	3.2
61 to 65	2.0	1.7	.9	1.3	.8	3.6	5.3	3.7	2.8	4.7
66 to 70	4.3	3.0	1.6	3.3	2.7	9.0	12.1	8.8	5.8	8.6
71 to 75	8.4	6.7	3.2	4.8	3.6	11.5	19.6	13.5	8.8	16.2
76 to 80	21.5	15.0	8.8	11.8	11.8	55.6	45.6	51.5	60.7	63.3
81 to 85	18.9	17.1	10.9	14.1	13.2	4.8	4.1	4.4	3.6	-------
86 to 90	31.2	35.6	57.1	62.5	66.8	7.4	4.0	9.8	14.9	-------
91 to 95	10.2	18.2	16.0	-------	-------	3.0	1.5	2.6	-------	-------
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Average	80.4	82.5	85.0	84.1	84.8	76.1	73.6	76.4	78.6	75.3
Median	83.7	86.5	88.0	87.0	87.0	77.9	76.6	77.8	78.4	76.8

Table 22 shows distributions of mortgage amounts by total requirements for Section 203 transactions insured in 1952 which involved owner-occupant mortgagors purchasing or building homes. Generally, the mortgage amounts corresponding to each total requirements group are concentrated around the maximum amounts which were permitted, on the basis of property value, under the regulations in effect when the transaction was approved. The spread in the individual distributions tends to increase as total requirements increase.

Median mortgage amounts for new homes ranged from $4,942 for transactions requiring less than $6,000, to $11,948 for transactions involving $20,000 or more—a spread of only about $7,000 in mortgage amount compared with nearly twice that variation in the amount of total requirements. In existing-home transactions, the median mortgage amount ranged from $4,200 for the lowest total requirements bracket to $12,056 for the highest—a range of nearly $8,000 in mortgage amounts, contrasted with the $14,000 spread in total requirements.

In Table 23, averages of selected characteristics of the Section 203 transactions insured in 1952 are delineated for the various total requirements groups. Property values, as estimated by FHA, varied with total requirements and sale price, but represented only 78 percent of the average amount required for transactions involving $18,000 or more as compared with 99 percent for transactions requiring less than $7,000.

TABLE 22.—*Amount of mortgage by total requirements for single-family home transactions, Sec. 203, 1952*

Total requirements	Percentage distribution	Median amount of mortgage	Amount of mortgage—Percentage distribution										
			Less than $4,000	$4,000 to $4,999	$5,000 to $5,999	$6,000 to $6,999	$7,000 to $7,999	$8,000 to $8,999	$9,000 to $9,999	$10,000 to $10,999	$11,000 to $11,999	$12,000 to $13,999	$14,000 to $16,000	Total
New homes													
Less than $6,000	0.4	$4,942	------	56.3	43.7	------	------	------	------	------	------	------	------	100.0
$6,000 to $6,999	1.0	5,985	0.4	1.3	50.5	47.8	------	------	------	------	------	------	------	100.0
$7,000 to $7,999	7.3	6,333	.2	.4	3.5	94.3	1.6	------	------	------	------	------	------	100.0
$8,000 to $8,999	10.2	7,031	.4	.8	2.2	44.0	52.3	0.3	------	------	------	------	------	100.0
$9,000 to $9,999	15.3	7,782	.4	.8	1.3	4.6	61.8	31.1	------	------	------	------	------	100.0
$10,000 to $10,999	16.2	8,203	.3	.4	2.4	3.2	26.9	65.4	1.4	------	------	------	------	100.0
$11,000 to $11,999	14.1	8,790	.6	.4	.7	2.4	6.9	55.1	33.9	------	------	------	------	100.0
$12,000 to $12,999	11.6	9,167	.4	.1	1.1	2.6	5.4	24.0	66.0	0.4	------	------	------	100.0
$13,000 to $13,999	7.9	9,386	.2	.7	1.0	2.4	4.0	12.1	62.2	16.9	0.5	------	------	100.0
$14,000 to $14,999	5.3	9,942	.2	.6	1.0	2.5	4.0	9.0	34.8	46.6	1.3	------	------	100.0
$15,000 to $15,999	3.7	10,354	------	.6	1.1	2.5	2.9	5.6	21.0	60.4	5.0	0.9	------	100.0
$16,000 to $17,999	3.7	10,767	.5	.1	.6	2.5	1.8	4.5	12.0	37.9	35.7	4.1	0.3	100.0
$18,000 to $19,999	1.2	11,222	------	.3	.7	2.0	1.4	3.3	6.9	20.9	54.5	9.0	1.0	100.0
$20,000 or more	1.2	11,948	------	------	1.0	1.4	1.0	2.6	3.3	11.3	31.9	23.9	23.6	100.0
Total	100.0	8,324	.3	.7	2.6	14.7	21.7	27.8	20.8	7.8	2.7	.6	.3	100.0
Existing homes													
Less than $6,000	1.3	$4,200	35.5	55.8	8.7	------	------	------	------	------	------	------	------	100.0
$6,000 to $6,999	2.8	5,376	1.5	22.5	54.8	21.2	------	------	------	------	------	------	------	100.0
$7,000 to $7,999	5.5	6,030	.3	5.4	41.8	50.6	1.9	------	------	------	------	------	------	100.0
$8,000 to $8,999	9.9	6,631	.3	1.4	11.0	61.2	25.5	0.6	------	------	------	------	------	100.0
$9,000 to $9,999	12.6	7,309	.1	.5	3.3	25.2	61.8	9.1	------	------	------	------	------	100.0
$10,000 to $10,999	13.9	7,925	.1	.5	1.5	10.1	41.6	46.0	0.2	------	------	------	------	100.0
$11,000 to $11,999	12.9	8,436	.1	.4	.8	3.5	19.2	58.5	17.5	------	------	------	------	100.0
$12,000 to $12,999	11.6	9,000	(1)	.3	.7	2.8	9.2	37.0	49.4	0.6	------	------	------	100.0
$13,000 to $13,999	8.8	9,440	------	.2	.8	1.6	4.7	20.2	48.1	24.4	------	------	------	100.0
$14,000 to $14,999	6.6	9,949	.1	.1	.3	.5	3.3	10.4	37.2	46.5	1.6	------	------	100.0
$15,000 to $15,999	4.9	10,352	.1	.2	.2	.9	2.6	6.2	10.7	63.6	6.3	0.2	------	100.0
$16,000 to $17,999	5.3	10,896	.2	.1	.2	1.0	2.4	4.7	9.1	35.6	42.4	4.3	------	100.0
$18,000 to $19,999	2.2	11,299	.3	.2	.5	.6	.8	3.8	5.0	19.5	56.0	12.1	1.2	100.0
$20,000 or more	1.7	12,056	.2	------	.2	.2	.4	3.0	2.8	11.6	30.5	30.9	20.2	100.0
Total	100.0	8,210	.6	2.0	5.9	15.1	20.6	22.6	10.4	10.9	4.4	1.1	.4	100.0

[1] Less than 0.05 percent.

TABLE 23.—*Transaction characteristics by total requirements for single-family homes, Sec. 203, 1952*

Total requirements	Percentage distribution	Average							Current investment as a percent of	
		Total require-ments	Sale price	Mortgage amount	Property value	Calculated area (sq. ft.)	Mortgagor's annual income	Current invest-ment [1]	Total require-ments	Annual income
New homes										
Less than $7,000	2.3	$6,525	$6,445	$5,782	$6,481	774	$4,089	$743	11.4	18.2
$7,000 to $7,999	7.3	7,285	7,169	6,351	7,155	798	4,299	934	12.8	21.7
$8,000 to $8,999	10.2	8,534	8,369	6,986	8,051	841	4,634	1,548	18.1	33.4
$9,000 to $9,999	15.3	9,539	9,357	7,630	8,898	900	4,620	1,909	20.0	41.3
$10,000 to $10,999	16.2	10,403	10,203	7,958	9,580	947	4,821	2,445	23.5	50.7
$11,000 to $11,999	14.1	11,514	11,314	8,575	10,515	969	5,110	2,939	25.5	57.5
$12,000 to $12,999	11.6	12,307	12,168	8,868	11,145	1,013	5,498	3,529	28.5	64.2
$13,000 to $13,999	7.9	13,441	13,200	8,996	11,683	1,038	5,801	4,445	33.1	76.6
$14,000 to $14,999	5.3	14,450	14,186	9,469	12,653	1,130	6,156	4,981	34.5	80.9
$15,000 to $15,999	3.7	15,426	15,111	9,833	13,284	1,151	6,438	5,593	36.3	86.9
$16,000 to $17,999	3.7	16,794	16,441	10,081	13,958	1,221	6,886	6,713	40.0	97.5
$18,000 or more	2.4	21,280	20,615	11,344	16,586	1,436	8,580	9,936	46.7	115.8
Total	100.0	11,294	11,077	8,227	10,184	971	5,231	3,067	27.2	58.6
Existing homes										
Less than $7,000	4.0	$6,120	$6,027	$4,957	$6,278	870	$4,114	1,163	19.0	28.3
$7,000 to $7,999	5.5	7,492	7,333	5,866	7,255	890	4,303	1,626	21.7	37.8
$8,000 to $8,999	9.9	8,506	8,330	6,509	8,017	926	4,527	1,997	23.5	44.1
$9,000 to $9,999	12.6	9,479	9,289	7,120	8,869	954	4,715	2,359	24.9	50.0
$10,000 to $10,999	13.9	10,474	10,283	7,625	9,640	1,002	4,988	2,849	27.2	57.1
$11,000 to $11,999	12.9	11,470	11,274	8,203	10,441	1,017	5,220	3,267	28.5	62.6
$12,000 to $12,999	11.7	12,459	12,250	8,637	11,203	1,064	5,570	3,822	30.7	68.6
$13,000 to $13,999	8.8	13,456	13,259	9,052	11,852	1,110	5,919	4,404	32.7	74.4
$14,000 to $14,999	6.6	14,444	14,208	9,443	12,480	1,152	6,292	5,001	34.6	79.5
$15,000 to $15,999	4.9	15,416	15,186	9,832	13,137	1,225	6,567	5,584	36.2	85.0
$16,000 to $17,999	5.3	16,807	16,517	10,138	13,862	1,292	7,254	6,669	39.7	91.9
$18,000 or more	3.9	20,956	20,554	11,057	15,798	1,503	8,829	9,899	47.2	112.1
Total	100.0	11,689	11,484	8,062	10,424	1,052	5,439	3,627	31.0	66.7

[1] Total requirements less mortgage amount.

Property Characteristics

The valuation of the property—including house, land, and other physical improvements—is a basic procedure in the FHA underwriting system. It involves consideration of such items as estimated replacement cost of the property, rental value, type and location of neighborhood, market price of an equivalent site, materials and quality of construction, size of house, and garage facilities. The property characteristics of the Section 203 transactions insured in 1952 are discussed in the following paragraphs of this report.

Property value distributions.—Property values of $7,000 to $15,999 were reported for about 9 of every 10 of the 1-family homes covered by mortgages insured under Section 203 in 1952. More than half the new homes were concentrated in $8,000 to $10,999 values, while the bulk of existing homes were in a somewhat higher and broader range of $8,000 to $12,999 (Chart 11 and Table 24). Only 4 percent of the new homes and 5 percent of the existing homes had values of less than $7,000. Properties valued at $14,000 or more were involved in about 7 percent of the new-home and 10 percent of the existing-home transactions.

New-home values in 1952 averaged 10 percent higher than in the preceding year, compared with only a 4 percent increase reported for existing homes. The smaller rise in existing-home values may be partially indicative of a leveling of existing-property prices that de-

PROPERTY VALUE

FHA-INSURED MORTGAGES ON SINGLE-FAMILY HOMES

SECTION 203, 1952

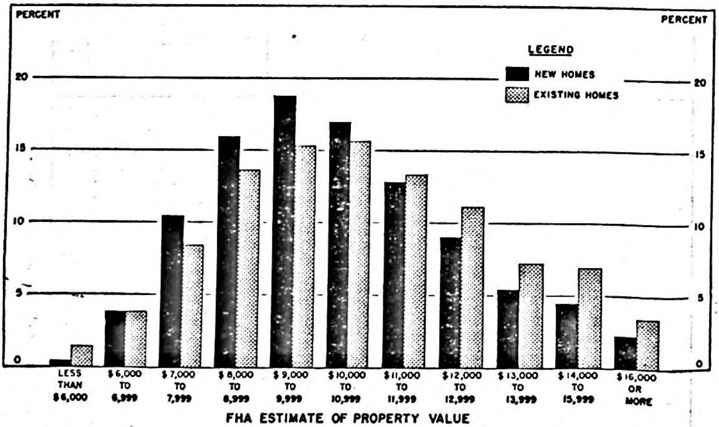

CHART 11.

veloped during the year. The marked upward trend of new-home values is evidenced by the smaller proportion in the $6,000 to $8,999 group (down to 30 percent in 1952 from 49 percent the year before) contrasted with the increase in the proportion of $10,000 to $13,999 properties from 27 percent to 44 percent of total. For existing homes, the shifts were on a smaller scale—with a drop of 6 percentage points in the $6,000 to $8,999 interval offset by a 7-point rise in the groups valued from $10,000 to $13,999.

TABLE 24.—*Property value of single-family homes, Sec. 203, selected years*

FHA estimate of property value	New homes					Existing homes				
	1952	1951	1950	1946	1940	1952	1951	1950	1946	1940
	Percentage distributions									
Less than $3,000	-------	-------	(1)	-------	3.2	(1)	-------	0.4	1.7	10.9
$3,000 to $3,999	-------	(1)	(1)	2.3	18.6	0.1	0.3	.8	7.3	21.8
$4,000 to $4,999	(1)	0.2	0.4	10.0	26.8	.3	.8	1.4	16.8	22.5
$5,000 to $5,999	0.4	.8	1.6	20.2	23.6	1.0	2.0	4.2	24.6	17.3
$6,000 to $6,999	3.8	8.7	18.3	27.9	16.5	3.8	5.8	10.7	20.3	10.8
$7,000 to $7,999	10.4	18.2	20.8	22.4	5.7	8.4	11.0	15.8	12.1	6.1
$8,000 to $8,999	15.9	21.9	22.5	11.1	2.6	13.6	15.3	17.1	7.0	3.6
$9,000 to $9,999	18.8	18.8	15.9	3.4	1.2	15.3	15.2	14.5	3.4	1.9
$10,000 to $10,999	16.9	12.5	10.0	1.5	.7	15.6	14.4	11.4	2.5	1.5
$11,000 to $11,999	12.8	8.0	4.7	.5	.3	13.3	10.9	7.6	1.1	.9
$12,000 to $12,999	9.0	4.4	2.3	.3	.3	11.1	8.9	5.7	1.2	.8
$13,000 to $13,999	5.4	2.5	1.5	.2	.1	7.2	5.9	3.3	.5	.4
$14,000 to $15,999	4.4	2.5	1.2	.2	.2	6.9	6.0	3.7	.7	.7
$16,000 to $19,999	1.8	1.1	.6	(1)	.1	2.8	2.8	2.7	.5	.6
$20,000 or more	.4	.4	.2	-------	.1	.6	.7	.7	.3	.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Average valuation	$10,245	$9,307	$8,594	$6,597	$5,199	$10,567	$10,147	$9,298	$6,269	$5,179
Median valuation	10,022	9,007	8,286	6,558	5,028	10,289	9,843	8,865	5,934	4,600

[1] Less than 0.05 percent.

Property values under Sections 8 and 903.—Property values for single-family homes securing mortgages insured under Sections 8 and 903 during 1952 were limited to much narrower ranges than those previously described in connection with Section 203-insured cases. This primarily reflects the lower maximum mortgage amounts specified by the provisions of Section 8 and the limited sale price or rental stipulated for properties authorized under the defense housing programs and insured under Section 903. More than 9 of every 10 Section 8 properties had FHA estimated values of $4,000 to $6,999, while nearly 95 percent of the Section 903 properties were valued from $7,000 to $10,999. As indicated in the tables below, Section 8 property values exhibited a marked concentration in the $5,000 to $5,999 class, as contrasted with the relatively broader value distribution of Section 903 properties.

The typical property value for all Section 8 homes insured through 1952 was $5,325, while for Section 903 the corresponding median was $8,933.

Sec. 8		Sec. 903	
Property value	Percent distribution	Property value	Percent distribution
Less than $4,000	0.1	Less than $7,000	3.6
$4,000 to $4,999	6.8	$7,000 to $7,999	12.9
$5,000 to $5,499	59.3	$8,000 to $8,999	38.7
$5,500 to $5,999	18.7	$9,000 to $9,999	30.8
$6,000 to $6,999	7.6	$10,000 to $10,999	12.6
$7,000 or more	7.5	$11,000 to $12,999	1.4
Total	100.0	Total	100.0

Averages by property value groups.—Characteristics of the Section 203 cases insured in 1952 are summarized by property value groups in Table 25 (transaction characteristics), Table 26 (property characteristics), and Table 27 (financial characteristics). Table 25 shows, for example, that for new homes in the $9,000 to $9,999 value group the

TABLE 25.—*Transaction characteristics by property value of single-family homes, Sec. 203, 1952*

FHA estimate of property value	Percentage distribution	Average			Mortgagor's annual income	Ratio of		
		Property value	Total requirements [1]	Amount of mortgage		Loan to total value	Loan to total requirements [1]	Property value to income
New homes								
						Percent	*Percent*	
Less than $6,000	0.4	$5,357	$5,820	$4,870	$4,141	91.0	83.7	1.29
$6,000 to $6,999	3.8	6,616	7,038	6,017	4,133	90.9	85.5	1.60
$7,000 to $7,999	10.4	7,368	7,955	6,529	4,749	88.6	82.1	1.55
$8,000 to $8,999	15.9	8,434	9,334	7,274	4,874	86.2	77.9	1.73
$9,000 to $9,999	18.8	9,428	10,318	7,941	5,116	84.2	77.0	1.84
$10,000 to $10,999	16.9	10,399	11,434	8,493	5,474	81.7	74.3	1.90
$11,000 to $11,999	12.8	11,359	12,461	8,894	5,565	78.3	71.4	2.04
$12,000 to $12,999	9.0	12,339	13,578	9,309	5,914	75.4	68.6	2.09
$13,000 to $13,999	5.4	13,339	14,967	9,865	6,268	74.0	65.9	2.13
$14,000 to $15,999	4.4	14,728	16,401	10,443	6,907	70.9	63.7	2.13
$16,000 to $19,999	1.8	17,244	18,805	11,173	7,778	64.8	59.4	2.22
$20,000 or more	.4	21,684	23,413	13,288	9,940	61.3	56.8	2.18
Total	100.0	10,245	11,274	8,237	5,397	80.4	73.1	1.90
Existing homes								
						Percent	*Percent*	
Less than $6,000	1.4	$5,036	$5,477	$3,911	$3,974	77.7	72.6	1.27
$6,000 to $6,999	3.8	6,458	6,989	5,233	4,300	81.0	76.6	1.50
$7,000 to $7,999	8.4	7,396	8,094	5,945	4,426	80.4	74.9	1.67
$8,000 to $8,999	13.6	8,387	9,164	6,690	4,680	79.8	74.3	1.79
$9,000 to $9,999	15.3	9,360	10,260	7,386	4,968	78.9	72.9	1.88
$10,000 to $10,999	15.6	10,321	11,353	8,011	5,223	77.6	71.5	1.98
$11,000 to $11,999	13.3	11,338	12,457	8,647	5,589	76.3	70.3	2.03
$12,000 to $12,999	11.1	12,325	13,693	9,270	6,056	75.2	68.6	2.04
$13,000 to $13,999	7.2	13,306	14,859	9,864	6,609	74.1	67.2	2.01
$14,000 to $15,999	6.9	14,625	16,612	10,397	7,114	71.1	63.6	2.06
$16,000 to $19,999	2.8	17,011	19,504	11,239	8,445	66.1	58.4	2.01
$20,000 or more	.6	22,367	25,816	13,031	10,963	58.3	51.9	2.04
Total	100.0	10,567	11,677	8,039	5,476	76.1	69.8	1.93

[1] Data for existing homes reflect purchase transactions only, and are not comparable with data for all existing-home mortgages, which include refinancing transactions on existing construction and on property improvements.

average mortgage of $7,941 represented 84.2 percent of the average property value of $9,428 but covered only 77.0 percent of the average total requirements of $10,318. The annual effective income of the mortgagor purchasing a home in this value group was $5,116, with property value averaging about 1.8 times the mortgagor's income.

As shown in Table 26, new-home properties valued at $9,000 to $9,999 had an average total replacement cost of $9,743. These dwellings had an average calculated area of 903 square feet and contained an average of about 5 rooms, of which 3 were bedrooms. The market price of the land averaged $1,088, or 11.5 percent of the average property value.

Table 27 indicates that the average total monthly mortgage payment for mortgagors in this group was $60.81 (including $9.20 in real estate taxes), while the prospective monthly housing expense (operating costs, and maintenance and repair expense, in addition to mortgage payment) averaged $79.66, or about $19 more than the total payment. The average monthly rental value of $76.66 estimated for these properties represented 1¼ times the average mortgage payment. Comparable analyses may be made of new- and existing-home transactions in the other value groups by reference to these three tables.

TABLE 26.—*Property characteristics by property value of single-family homes, Sec. 203, 1952*

FHA estimate of property value	Percentage distribution	Average			Price of site as percent of value	Median			Percentage of structures with garage
		Property value	Property replacement cost	Market price of site		Calculated area (sq. ft.)	Number of rooms	Number of bedrooms	
New homes									
Less than $6,000	0.4	$5,357	$5,826	$705	13.2	730	4.5	2.5	4.9
$6,000 to $6,999	3.8	6,616	6,868	708	10.7	740	4.5	2.5	27.3
$7,000 to $7,999	10.4	7,368	7,691	816	11.1	798	4.7	2.6	39.3
$8,000 to $8,999	15.9	8,434	8,762	929	11.0	866	5.1	3.0	51.8
$9,000 to $9,999	18.8	9,428	9,743	1,088	11.5	903	5.2	3.2	52.0
$10,000 to $10,999	16.9	10,399	10,726	1,225	11.8	971	5.4	3.2	57.0
$11,000 to $11,999	12.8	11,359	11,742	1,384	12.2	979	5.4	3.3	56.6
$12,000 to $12,999	9.0	12,339	12,774	1,468	11.9	1,040	5.6	3.3	55.2
$13,000 to $13,999	5.4	13,339	13,721	1,652	12.4	1,112	5.7	3.4	61.2
$14,000 to $15,999	4.4	14,728	15,189	1,896	12.9	1,195	5.9	3.4	72.9
$16,000 to $19,999	1.8	17,244	18,110	3,060	17.7	1,330	6.1	3.4	85.0
$20,000 or more	.4	21,684	22,950	3,946	18.2	1,550	6.3	3.5	90.6
Total	100.0	10,245	10,607	1,227	12.0	926	5.3	3.1	53.4
Existing homes									
Less than $6,000	1.4	$5,036	$8,252	$658	13.1	831	4.9	2.7	44.7
$6,000 to $6,999	3.8	6,458	8,566	784	12.1	804	4.9	2.7	53.5
$7,000 to $7,999	8.4	7,396	9,272	882	11.9	843	5.1	2.7	62.8
$8,000 to $8,999	13.6	8,387	10,067	991	11.8	894	5.3	2.8	68.4
$9,000 to $9,999	15.3	9,360	10,877	1,118	11.9	933	5.4	2.9	69.1
$10,000 to $10,999	15.6	10,321	11,859	1,236	12.0	995	5.5	3.1	71.6
$11,000 to $11,999	13.3	11,338	12,721	1,353	11.9	1,023	5.6	3.1	71.6
$12,000 to $12,999	11.1	12,325	13,878	1,493	12.1	1,101	5.8	3.2	74.0
$13,000 to $13,999	7.2	13,306	14,818	1,640	12.3	1,161	5.9	3.3	76.7
$14,000 to $15,999	6.9	14,625	16,365	1,915	13.1	1,246	6.2	3.4	81.0
$16,000 to $19,999	2.8	17,011	18,996	2,424	14.2	1,405	6.4	3.5	84.2
$20,000 or more	.6	22,367	25,452	3,581	16.0	1,711	6.7	3.6	96.5
Total	100.0	10,567	12,209	1,296	12.3	993	5.5	3.1	70.7

TABLE 27.—*Financial characteristics by property value of single-family homes, Sec. 203, 1952*

FHA estimate of property value	Percentage distribution	Average property value	Monthly average: Total payment	Monthly average: Estimated taxes	Monthly average: Prospective housing expense	Monthly average: Estimated rental value	Monthly average: Mortgagor's income	Ratio of: Mortgage payment to income	Ratio of: Housing expense to income	Ratio of: Mortgage payment to rental value
New homes										
								Percent	*Percent*	*Percent*
Less than $6,000	0.4	$5,357	$37.42	$6.79	$52.17	$47.90	$345.08	10.8	15.1	78.1
$6,000 to $6,999	3.8	6,616	46.16	6.41	61.93	55.90	344.43	13.4	18.0	82.6
$7,000 to $7,999	10.4	7,368	50.17	7.10	66.92	61.82	395.78	12.7	16.9	81.2
$8,000 to $8,999	15.9	8,434	55.62	8.43	73.55	69.29	406.13	13.7	18.1	80.3
$9,000 to $9,999	18.8	9,428	60.81	9.20	79.66	76.66	426.37	14.3	18.7	79.3
$10,000 to $10,999	16.9	10,399	65.82	10.16	85.47	83.98	456.17	14.4	18.7	78.4
$11,000 to $11,999	12.8	11,359	70.86	11.49	91.24	91.61	463.71	15.3	19.7	77.3
$12,000 to $12,999	9.0	12,339	75.62	12.35	96.97	97.46	492.84	15.3	19.7	77.6
$13,000 to $13,999	5.4	13,339	80.47	13.00	102.54	104.01	522.33	15.4	19.6	77.4
$14,000 to $15,999	4.4	14,728	85.48	13.48	109.18	114.67	575.62	14.9	19.0	74.5
$16,000 to $19,999	1.8	17,244	92.25	15.61	116.67	130.13	648.19	14.2	18.0	70.9
$20,000 or more	.4	21,684	109.89	18.28	135.25	160.74	828.32	13.3	16.3	68.4
Total	100.0	10,245	64.63	10.04	84.13	82.55	449.78	14.4	18.7	78.3
Existing homes										
								Percent	*Percent*	*Percent*
Less than $6,000	1.4	$5,036	$35.59	$4.86	$54.47	$45.08	$331.17	10.7	16.4	78.9
$6,000 to $6,999	3.8	6,458	43.83	6.17	62.11	55.64	358.33	12.2	17.3	78.8
$7,000 to $7,999	8.4	7,396	48.70	6.66	67.48	62.63	368.85	13.2	18.3	77.8
$8,000 to $8,999	13.6	8,387	54.51	7.86	74.14	69.96	389.98	14.0	19.0	77.9
$9,000 to $9,999	15.3	9,360	59.78	8.74	80.66	77.19	413.97	14.4	19.5	77.4
$10,000 to $10,999	15.6	10,321	65.06	9.57	86.54	84.17	435.24	14.9	19.9	77.3
$11,000 to $11,999	13.3	11,338	70 31	10.65	92.92	91.26	465.74	15.1	20.0	77.0
$12,000 to $12,999	11.1	12,325	75.57	11.49	99.32	98.11	504.69	15.0	19.7	77.0
$13,000 to $13,999	7.2	13,306	80.38	12.45	105.02	105.33	550.78	14.6	19.1	76.3
$14,000 to $15,999	6.9	14,625	85.32	13.56	111.11	114.61	592.86	14.4	18.7	74.4
$16,000 to $19,999	2.8	17,011	93.70	16.11	121.94	131.44	703.71	13.3	17.3	71.3
$20,000 or more	.6	22,367	112.27	20.52	144.90	167.34	913.57	12.3	15.9	67.1
Total	100.0	10,567	65.65	9.86	87.58	85.62	456.35	14.4	19.2	76.7

An analysis of the data presented in Tables 25, 26, and 27 reveals the following significant developments in Section 203 transactions insured in 1952:

(1) Buyers of new-home properties valued below $12,000 generally received more mortgage financing assistance than buyers of existing homes in the same ranges, as indicated by the higher ratios of loan to total requirements. This arises from the fact that larger mortgage loans are permissible in these value ranges when the homes are constructed under the FHA inspection system.

(2) Substantial amounts of savings were required by buyers of FHA homes in 1952 to make up the difference between the amount of the FHA-insured mortgage and total transaction requirements. On the average these necessary savings represented nearly 27 percent of total requirements in new-home transactions and 31 percent in existing-home transactions. Only buyers of new homes valued at less than $8,000 were required to provide less than 20 percent.

(3) Land prices for new homes in many value ranges averaged somewhat less than for existing homes of the same value, presumably due largely to the location of the existing homes nearer the center of cities.

(4) As expected, mortgagors' annual incomes tended to increase as property values increased. Incomes reported by purchasers of new homes valued at less than $11,000 were generally higher than for purchasers of existing homes in the same value classes, while existing-home mortgagors in the $11,000-or-more value groups had higher incomes than their new-home counterparts.

(5) Although in the value groups below $10,000 and above $16,000 the monthly mortgage payments for new homes averaged somewhat higher than those for existing properties, there was no evidence of appreciable difference between payments on new and on existing homes in the $10,000 to $15,999 bracket. This situation parallels the relationships between average mortgage amounts on new and on existing homes in the several property value groups.

(6) Real estate taxes and special assessments estimated for new properties were slightly higher than for existing homes in the same value groups. The data available do not reveal the explanation of this differential.

(7) Housing expense for new homes was less in all value groups due to lower operating costs (principally heat) and less maintenance and repair expense.

(8) Rental values of new homes were slightly (4 percent) less than for existing homes. Although within most individual value ranges rental value averages for existing homes exceeded the averages for new homes, the differences were generally minor. This circumstance may be further evidence of the large number of recently built homes included in the "existing-home" mortgage transactions insured under Section 203 in 1952. The somewhat higher rental values of existing properties are usually attributable to their being located in neighborhoods nearer the center of the city.

Average characteristics of Section 8 and Section 903 cases by property values.—Table 28 presents, by property value groups, selected average characteristics of the properties and mortgages involved in Section 8 low-cost single-family home transactions insured by FHA through 1952. Comparable data on the single-family cases insured under the Section 903 defense housing program last year are shown in Table 29. In general, land prices, real estate taxes, and house sizes of these properties moved upward with rises in property value, but within a much narrower band than was observed for Section 203 properties, due to the restraining influences of the lower maximum mortgage amounts prescribed under Sections 8 and 903, and the maximum sale prices and rentals specified for the Section 903 properties in the defense housing programs.

TABLE 28.—*Transaction characteristics by property value of single-family homes, Sec. 8, 1952*

FHA estimate of property value	Percentage distribution	Average			Ratio of average	
		Property value	Mortgage amount	Market price of site	Loan to value	Price of site to value
New homes						
Less than $4,500	1.1	$4,214	$3,841	$459	91.1	10.9
$4,500 to $4,999	5.8	4,749	4,341	508	91.4	10.7
$5,000 to $5,499	59.3	5,186	4,705	540	90.7	10.4
$5,500 to $5,999	18.7	5,597	4,724	543	84.4	9.7
$6,000 to $6,999	7.6	6,371	4,776	646	75.0	10.1
$7,000 or more	7.5	7,107	6,731	930	94.7	13.1
Average		5,461	4,834	575	88.5	10.5

FHA estimate of property value	Average		Monthly average		
	Calculated area (sq. ft.)	Number of rooms	Estimated taxes	Mortgage payment	Prospective housing expense
New homes					
Less than $4,500	590	3.7	$4.40	$30.40	$45.00
$4,500 to $4,999	614	3.6	5.59	33.86	48.06
$5,000 to $5,499	676	4.0	5.23	36.30	51.48
$5,500 to $5,999	696	4.0	5.33	36.34	51.52
$6,000 to $6,999	721	4.1	6.27	37.40	53.53
$7,000 or more	723	4.0	7.02	45.62	60.12
Average	682	4.0	5.48	36.89	52.05

As indicated in Table 28, property values for Section 8 transactions insured in 1952 ranged from below $4,500 for 1.1 percent of the cases to more than $7,000 for the 7.5 percent with highest values, with an over-all average of $5,461; land market prices averaged $575 for all groups; estimated monthly real estate taxes, $5.48; average calculated area, 682 square feet; and room count averaged 4.0 rooms for all Section 8 houses. In each characteristic, variations by value were within narrow limits. Land prices averaged from 10 to 11 percent of property values for all groups except those valued at $7,000 or more; in these, land represented 13 percent of property value.

Average mortgage amounts and monthly mortgage payments were generally larger in the higher value groups, although the $4,750 maximum mortgage amount for regular Section 8 loans minimized the rate of increase in the higher value groups. Further evidence of the effect of this maximum loan amount is apparent in the relatively lower average ratio of loan to value in the $5,500 to $5,999 group (84 percent) and the $6,000 to $6,999 group (75 percent). The higher limits permitted under the disaster-loan provisions of Section 8—maximum mortgage of $7,000 and up to 100 percent of property value—are reflected by the high average mortgage amount ($6,731) and ratio of loan to value (95 percent) shown for properties valued at $7,000 or more.

Buyers of Section 8 homes securing mortgages insured through 1952 contemplated monthly housing expenses—mortgage payment plus operating, maintenance, and repair costs—averaging $52.05 for all properties, and varying from $45.00 for properties with values of less than $4,500 to $60.12 for those valued at $7,000 or more.

As has been observed in previous discussion in this report, Section 903 defense housing operations are not confined to as narrow a segment of the housing market as are those under Section 8. Table 29 shows that the average property values of Section 903 cases insured in 1952 ranged from less than $7,000 for 3.6 percent of the cases to $10,000 or more for 14 percent of the total; the average mortgage amounts were close to 90 percent for all value groups, averaging $7,827 for all properties; and the sizes of the houses ranged from 3.9 rooms and 649 square feet to 5.5 rooms and 1,008 square feet.

Although market prices of land tended to rise in line with the values of Section 903 properties, the influence of location on price of site is evident in the declines shown by average land prices reported for properties valued at $8,000 to $8,499 and at $10,000 or more. The properties in these value groups were probably located in areas where lower land costs were prevalent. Average land prices reported for Section 903 transactions ranged from $637 for properties valued at less than $7,000 to $1,209 for those with values of $9,500 to $9,999, the average for all groups being $1,104.

Monthly real estate taxes reported for Section 903 defense housing properties averaged $6.29, and for corresponding value groups were significantly lower than for new Section 203 properties. This situation may be due to the fact that many of the Section 903 properties were located in outlying areas where the number and cost of services provided by public authorities were not as great as in the case of the Section 203 properties.

Monthly mortgage payments prescribed in the Section 903 single-family home mortgages insured in 1952 ranged from an average of $36.38 for properties valued at less than $7,000 to $57.30 for those in the highest value class, the average for all Section 903 transactions being $51.41. Estimated monthly housing expenses averaged $63.23.

TABLE 29.—*Transaction characteristics by property value of single-family homes, Sec. 903, 1952*

FHA estimate of property value	Percentage distribution	Average			Ratio of average	
		Property value	Mortgage amount	Market price of site	Loan to value	Price of site to value
New homes						
Less than $7,000	3.6	$5,978	$5,401	$637	90.3	10.7
$7,000 to $7,999	12.9	7,564	6,789	1,037	89.8	13.7
$8,000 to $8,499	18.0	8,206	7,303	931	89.0	11.3
$8,500 to $8,999	20.7	8,769	7,830	1,191	89.3	13.6
$9,000 to $9,499	16.6	9,176	8,160	1,200	88.9	13.1
$9,500 to $9,999	14.2	9,665	8,519	1,209	88.1	12.5
$10,000 or more	14.0	10,353	9,000	1,160	86.9	11.2
Total	100.0	8,825	7,827	1,104	88.7	12.5

FHA estimate of property value	Average		Monthly average		
	Calculated area (sq. ft.)	Number of rooms	Estimated taxes	Mortgage payment	Prospective housing expense
New homes					
Less than $7,000	649	3.9	$5.35	$36.38	$44.64
$7,000 to $7,999	748	4.1	5.33	43.72	53.12
$8,000 to $8,499	809	4.3	6.18	48.99	60.80
$8,500 to $8,999	853	4.4	6.43	50.96	62.48
$9,000 to $9,499	848	4.5	7.53	54.38	65.61
$9,500 to $9,999	916	5.0	7.07	56.76	67.59
$10,000 or more	1,008	5.5	5.06	57.30	71.09
Total	855	4.6	6.29	51.41	63.23

Size of house.—As shown in Table 30, the typical new home securing a Section 203 mortgage insured in 1952 had a calculated area of 923 square feet—the largest area reported in the 5-year period during which this information has been available for tabulation. Although the median new house was 70 square feet smaller than the typical existing house, the area differential between new and existing properties in 1952 was the smallest on record. This fact, coupled with the slight decline in the area of the typical existing house from 1951 to 1952, is probably further evidence of the significant number of newly-built houses reported as "existing" homes under Section 203 in 1952.

The bulk of the new and existing houses in 1952 ranged between 700 and 1,199 square feet. Structures with calculated areas of 900 or more square feet were reported for 55 percent of the new-home cases (up from 46 percent in 1951) and 64 percent of the existing homes (down from 67 percent in 1951). About 38 percent of the new and 49 percent of the existing structures had areas of 1,000 or more square feet. Relatively few houses measured less than 700 square feet—3 percent of the new and 4 percent of the existing.

TABLE 30.—*Calculated area of single-family homes, Sec. 203, selected years*

Calculated area (square feet)	New homes					Existing homes				
	1952	1951	1950	1949	1948	1952	1951	1950	1949	1948
	Percentage distributions									
Less than 600	0.1	0.2	0.5	1.8	0.9	0.3	0.4	0.5	0.7	0.9
600 to 699	2.9	4.3	7.6	7.0	4.6	3.3	3.1	3.3	3.5	4.7
700 to 799	18.7	23.7	30.6	28.8	20.6	14.6	13.1	14.4	14.2	16.3
800 to 899	23.7	25.8	25.4	24.2	22.0	18.0	16.8	16.5	17.5	18.5
900 to 999	16.4	13.6	13.0	12.5	16.2	14.8	14.3	14.1	13.8	13.3
1,000 to 1,099	15.5	13.4	9.9	9.5	11.2	13.2	12.9	11.7	12.1	10.9
1,100 to 1,199	10.8	8.5	5.3	6.1	8.7	10.3	9.9	9.3	9.3	8.0
1,200 to 1,299	4.9	4.1	3.2	4.2	6.4	7.7	8.1	7.6	7.3	6.8
1,300 to 1,399	3.5	2.8	2.0	2.1	3.4	5.6	5.9	5.8	5.5	5.1
1,400 to 1,499	1.7	1.3	.9	1.3	2.2	3.6	4.4	4.3	4.2	3.7
1,500 to 1,599	.9	.9	.6	.8	1.5	2.5	3.1	3.2	3.2	2.9
1,600 to 1,799	.6	.8	.6	.9	1.4	3.1	3.8	4.2	4.0	3.7
1,800 to 1,999	.2	.3	.2	.4	.4	1.5	1.9	2.2	2.0	2.2
2,000 or more	.1	.3	.2	.4	.5	1.5	2.3	2.9	2.7	3.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Average	968	942	894	909	972	1,060	1,093	1,100	1,091	1,0[illegible]5
Median	923	879	838	841	912	992	1,011	1,006	1,001	972

The common assumption that room counts rise with increases in calculated areas is supported by the data in Table 31, which show the distribution by number of rooms for new and existing homes of varying square-foot areas. Generally, the augmented room count was an indication of more bedrooms.

TABLE 31.—*Number of rooms by calculated area of single-family homes, Sec. 203, 1952*

Calculated area (square feet)	Percentage distribution	Average number of rooms	Median number of rooms	Number of rooms—Percentage distribution					
				3	4	5	6	7-9	Total
	New homes								
Less than 700	3.0	4.0	4.5	2.0	92.3	5.0	0.7	--------	100.0
700 to 799	18.7	4.1	4.6	.2	90.4	7.9	1.5	(1)	100.0
800 to 899	23.7	4.5	5.0	.1	52.0	45.9	1.8	0.2	100.0
900 to 999	16.5	4.9	5.1	.5	22.5	67.2	9.6	.2	100.0
1,000 to 1,099	15.5	5.2	5.6	(1)	7.7	67.4	24.8	.1	100.0
1,100 to 1,199	10.8	5.5	6.0	.1	3.8	44.3	51.1	.7	100.0
1,200 to 1,399	8.3	5.5	6.1	--------	2.9	44.0	51.9	1.2	100.0
1,400 to 1,599	2.6	5.8	6.3	--------	3.9	28.4	53.7	14.0	100.0
1,600 to 1,999	.8	6.0	6.5	--------	3.7	14.7	61.3	20.3	100.0
2,000 or more	.1	6.8	7.4	--------	--------	5.3	31.6	63.1	100.0
Total	100.0	4.8	5.3	.2	37.7	43.3	17.9	.9	100.0
	Existing homes								
Less than 700	3.6	4.1	4.6	7.9	75.7	13.2	3.1	0.1	100.0
700 to 799	14.9	4.3	4.7	.5	73.8	20.8	4.5	.4	100.0
800 to 899	18.0	4.6	5.0	.3	48.5	44.6	5.6	1.0	100.0
900 to 999	14.6	4.9	5.4	.1	26.6	59.6	12.1	1.6	100.0
1,000 to 1,099	13.2	5.2	5.6	.2	12.7	59.3	25.1	2.7	100.0
1,100 to 1,199	10.3	5.5	6.0	.2	6.5	44.9	43.8	4.6	100.0
1,200 to 1,399	13.3	5.8	6.3	.2	2.3	29.5	58.1	9.9	100.0
1,400 to 1,599	6.0	6.1	6.5	.2	1.0	13.7	59.0	26.1	100.0
1,600 to 1,999	4.6	6.7	7.2	.1	.5	6.1	37.8	55.5	100.0
2,000 or more	1.5	7.5	7.8	.8	--------	1.5	11.4	86.3	100.0
Total	100.0	5.1	5.5	.5	28.9	37.9	24.6	8.1	100.0

[1] Less than 0.05 percent.

More than four-fifths of the new and two-thirds of the existing properties involved in Section 203 cases insured in 1952 had 4 or 5 rooms. Six rooms or more were provided in nearly a third of the existing properties but in less than a fifth of the new. The typical new house had 5.3 rooms, compared with a median of 5.5 rooms for existing structures.

Over 58 percent of the new houses had 3 or more bedrooms, significantly more than the 53 percent reported for existing properties. The proportions of new and existing homes with 2 bedrooms were 41 and 46 percent respectively.

Compared with 1951, the room-count distribution of the new properties shifted upward, with rises in the proportion of 5- and 6-room houses. Existing properties, on the other hand, registered a small decrease in the relative number of properties with 6 or more rooms, and slight increases in the proportions of 4- and 5-room dwellings. The change in room-size distribution is indicated by the following data:

Rooms	New homes		Existing homes	
	1952	1951	1952	1951
3	0.2	0.4	0.5	0.7
4	37.7	43.4	28.9	26.9
5	43.3	39.3	37.9	36.1
6	17.9	16.0	24.6	26.2
7 to 9	.9	.9	8.1	10.1
Total	100.0	100.0	100.0	100.0

More bedrooms were provided in the new houses securing Section 203 mortgages insured in 1952 than were reported for 1951, while the bedroom-count distribution for existing homes was virtually the same as in 1951. The following data reveal the pronounced increase in the proportion of new homes with 3 bedrooms and the decline in 2-bedroom dwellings, as well as the close similarity of the existing-home distributions for both years:

Bedrooms	New homes		Existing homes	
	1952	1951	1952	1951
1	0.3	0.6	1.1	1.6
2	41.2	53.6	46.1	44.8
3	57.5	44.7	45.2	44.6
4 to 6	1.0	1.1	7.6	9.0
Total	100.0	100.0	100.0	100.0

Size of Section 8 and Section 903 houses.—The new homes securing mortgages insured under Sections 8 and 903 were smaller than those constructed under the Section 203 program, as may readily be seen from the following data:

Average	Section		
	203	8	903
Area in sq. ft.	968	682	855
Room count	4.8	4.0	4.6
Bedroom count	2.6	1.9	2.5

The considerably smaller size of the Section 8 homes and the somewhat smaller size of the Section 903 houses are largely a reflection of the lower amounts expended for construction, which, in turn, stem from the lower permissible mortgage amounts and, in the case of Section 903, the limits set on sale prices and monthly rentals in the defense housing programs.

As indicated below, 4 of every 5 Section 8 homes securing mortgages insured through 1952 had calculated areas within the relatively narrow range of 600 to 799 square feet; only one-eighth had less than 600 square feet; and less than 7 percent had areas of 800 or more square feet.

Sec. 8		Sec. 903	
Calculated area in sq. ft.	Percent distribution	Calculated area in sq. ft.	Percent distribution
Less than 500	1.6	Less than 700	4.0
500 to 599	10.9	700 to 799	26.9
600 to 699	49.4	800 to 899	35.8
700 to 799	31.6	900 to 999	20.0
800 to 899	5.0	1,000 to 1,099	12.3
900 or more	1.5	1,100 or more	1.0
Total	100.0	Total	100.0

The areas of Section 903 houses were more evenly distributed in a somewhat higher range than that of the Section 8 homes. Calculated areas of 800 to 999 square feet were provided in more than half of the Section 903 properties, 700 to 799 square feet in more than one-fourth, and 1,000 to 1,099 square feet in nearly one-eighth.

Relationship of size of house and property valuation. As would be expected, there was a fairly close correlation between size of house and property valuation in the Section 203 transactions insured in 1952. Generally speaking, the larger the house the higher the FHA estimate of property value.

Tables 32 and 33 show that, as property values increased, the median areas and room counts were larger. These medians also indicate that within corresponding value groups the existing structures were somewhat larger than the new.

TABLE 32.—*Calculated area by property value of single-family homes, Sec. 203, 1952*

FHA estimate of property value	Percentage distribution	Median calculated area (sq. ft.)	Calculated area (sq. ft.)—Percentage distribution: Less than 700	700 to 799	800 to 899	900 to 999	1,000 to 1,099	1,100 to 1,199	1,200 to 1,399	1,400 to 1,599	1,600 to 1,999	2,000 or more	Total
New homes													
Less than $6,000	0.4	730	25.5	48.1	26.4	----	----	----	----	----	----	----	100.0
$6,000 to $6,999	3.8	740	15.1	65.2	16.4	2.5	0.7	0.1	----	----	----	----	100.0
$7,000 to $7,999	10.4	798	12.4	38.6	27.6	13.6	3.8	3.9	0.1	(1)	----	----	100.0
$8,000 to $8,999	15.9	866	3.0	23.3	33.6	15.3	10.9	12.6	.6	0.1	----	----	100.0
$9,000 to $9,999	18.8	903	1.7	19.4	28.4	21.8	17.0	8.5	3.0	.2	(1)	----	100.0
$10,000 to $10,999	16.9	971	.7	14.4	24.0	15.6	26.2	11.4	6.4	1.2	0.1	----	100.0
$11,000 to $11,999	12.8	979	.4	11.4	22.2	19.5	17.0	14.5	13.1	1.7	.2	----	100.0
$12,000 to $12,999	9.0	1,040	.1	5.8	17.1	19.2	18.7	14.1	18.8	5.4	.7	0.1	100.0
$13,000 to $13,999	5.4	1,112	----	3.8	13.0	16.5	14.8	15.3	26.3	8.3	2.0	----	100.0
$14,000 to $15,999	4.4	1,195	----	1.3	5.6	10.3	19.2	14.3	29.4	15.6	4.1	.2	100.0
$16,000 to $19,999	1.8	1,330	----	.4	3.3	10.4	9.4	12.4	23.3	21.6	16.7	2.5	100.0
$20,000 or more	.4	1,550	----	----	----	2.9	2.9	5.9	21.6	21.6	24.5	20.6	100.0
Average	----	926	3.0	18.7	23.7	16.5	15.5	10.8	8.3	2.6	.8	.1	100.0
Existing homes													
Less than $6,000	1.4	831	24.2	19.9	16.8	13.7	6.8	5.2	6.8	3.5	2.0	1.1	100.0
$6,000 to $6,999	3.8	804	16.3	32.6	20.6	8.6	6.8	6.6	4.5	1.9	1.7	.4	100.0
$7,000 to $7,999	8.4	843	9.9	26.2	26.9	15.1	7.9	3.8	5.7	2.7	1.3	.5	100.0
$8,000 to $8,999	13.6	894	5.6	20.8	25.1	16.0	13.1	7.2	6.8	3.0	2.2	.2	100.0
$9,000 to $9,999	15.3	933	3.8	18.3	21.3	18.9	14.3	9.0	8.1	3.8	2.0	.5	100.0
$10,000 to $10,999	15.6	995	1.8	16.3	17.1	15.6	17.4	11.5	12.4	4.3	2.8	.8	100.0
$11,000 to $11,999	13.3	1,023	1.0	11.6	18.9	15.0	15.2	13.0	15.7	5.2	3.7	.7	100.0
$12,000 to $12,999	11.1	1,101	.2	6.3	14.5	15.1	13.8	14.4	20.2	7.8	5.8	1.9	100.0
$13,000 to $13,999	7.2	1,161	.2	4.5	10.7	14.1	12.1	14.0	23.6	11.4	7.0	2.4	100.0
$14,000 to $15,999	6.9	1,246	(1)	1.7	5.3	11.0	13.0	12.1	24.3	15.6	12.6	4.4	100.0
$16,000 to $19,999	2.8	1,405	----	.6	3.0	4.7	8.0	10.0	23.0	17.8	23.9	9.0	100.0
$20,000 or more	.6	1,711	----	----	----	----	2.2	5.6	13.5	15.2	32.0	31.5	100.0
Average	----	993	3.6	14.6	18.0	14.9	13.2	10.3	13.3	6.0	4.6	1.5	100.0

[1] Less than 0.05 percent.

Reflecting variations in construction costs and home prices due to such factors as geographical location, types and materials of construction, neighborhood characteristics, number of bedrooms, quantity of installed kitchen equipment, and (for existing properties) age of structure, home sizes within single property value groups were subject to considerable variation. This variation is more extensive when measured in terms of calculated area than when indicated by room count.

The range of calculated areas in the different value groups for homes securing Section 203 mortgages insured during 1952 is illustrated in Chart 12. For example, the bar for new homes valued at $10,000 to $10,999 indicates that the areas of the bulk (90 percent) of these houses had between 750 to 1,250 square feet, with:

20 percent having between 750 and 850 square feet
25 percent having between 850 and 970 square feet
25 percent having between 970 and 1,080 square feet
20 percent having between 1,080 and 1,250 square feet

It is apparent from the chart that the range of the area expanded as property value increased, and that the ranges for existing homes are broader than for new homes in corresponding value groups.

Table 33, showing the range of room counts at the various property value levels for homes securing Section 203 mortgages insured in 1952, indicates that significant numbers of 4-, 5-, and 6-room houses were reported in practically all property value groups of both new and existing homes. Structures with 7 or more rooms occurred in all value ranges of existing properties but were significant for new homes only when valued at $12,000 or more. New homes in the different value intervals exhibited a tendency to centralize in certain room-count groups (e. g. 4-room houses in the less-than-$8,000 groups and 5-room structures in the $9,000-to-$13,999 bracket), while existing homes at the various value levels tended to be more evenly distributed with respect to room count of the dwellings.

The relationship between size of house and property value is also influenced by the number of bedrooms provided in the structure. Table 34 shows that, in the new-home transactions insured under Section 203 in 1952, 2-bedroom houses were preponderant in the value classes under $8,000 and 3-bedroom structures in the higher value groups. In existing-home transactions, 2-bedroom houses predominated in properties valued at less than $10,000, those with 2 and 3 bedrooms jointly dominated the $10,000 to $11,999 range, while 3-bedroom structures accounted for the bulk of properties valued at $12,000 or more.

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RANGE OF CALCULATED AREAS BY PROPERTY VALUES
FHA-INSURED MORTGAGES ON SINGLE-FAMILY HOMES, SECTION 203, 1952

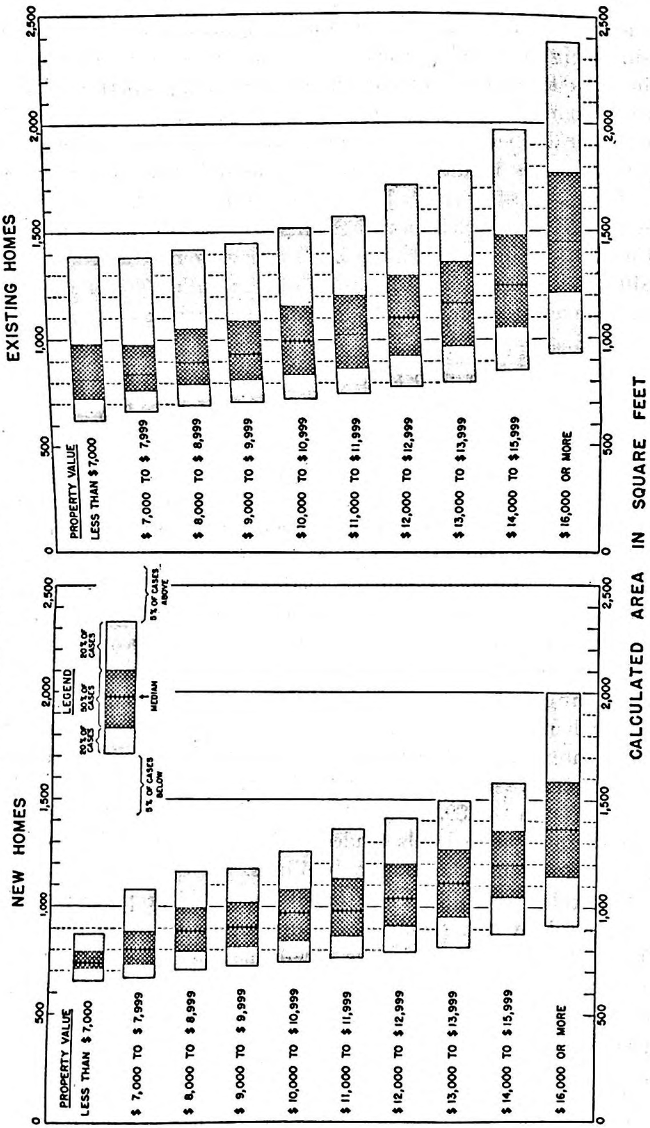

CHART 12.

TABLE 33.—*Number of rooms by property value of single-family homes, Sec. 203, 1952*

FHA estimate of property value	Percentage distribution	Average number of rooms	Median number of rooms	Number of rooms—Percentage distribution					
				3	4	5	6	7-9	Total
New homes									
Less than $6,000	0.4	4.0	4.5	1.9	93.4	4.7	--------	--------	100.0
$6,000 to $6,999	3.8	4.1	4.5	.9	89.7	8.7	0.6	0.1	100.0
$7,000 to $7,999	10.4	4.3	4.7	1.0	70.7	24.5	3.8	--------	100.0
$8,000 to $8,999	15.9	4.7	5.1	.1	46.6	37.5	15.8	(1)	100.0
$9,000 to $9,999	18.8	4.9	5.2	.1	38.1	48.3	13.4	.1	100.0
$10,000 to $10,999	16.9	4.7	5.4	.2	30.5	50.2	18.8	.3	100.0
$11,000 to $11,999	12.8	4.9	5.4	--------	27.9	52.7	19.0	.4	100.0
$12,000 to $12,999	9.0	5.1	5.6	--------	19.9	52.7	26.2	1.2	100.0
$13,000 to $13,999	5.4	5.2	5.7	--------	14.7	50.4	31.1	3.8	100.0
$14,000 to $15,999	4.4	5.4	5.9	.1	10.4	43.6	42.4	3.5	100.0
$16,000 to $19,999	1.8	5.6	6.1	--------	9.0	36.0	44.2	10.8	100.0
$20,000 or more	.4	5.9	6.3	--------	11.0	30.0	33.0	26.0	100.0
Total	100.0	4.8	5.3	.3	37.6	43.3	17.9	.9	100.0
Existing homes									
Less than $6,000	1.4	4.7	4.9	6.2	49.4	20.4	19.6	4.4	100.0
$6,000 to $6,999	3.8	4.6	4.9	2.5	54.0	25.7	14.0	3.8	100.0
$7,000 to $7,999	8.4	4.7	5.1	1.2	46.8	33.7	13.8	4.5	100.0
$8,000 to $8,999	13.6	4.9	5.3	.6	39.3	36.4	18.7	5.0	100.0
$9,000 to $9,999	15.3	4.9	5.4	.2	35.9	39.5	19.2	5.2	100.0
$10,000 to $10,999	15.6	5.1	5.5	.4	28.7	41.2	23.3	6.4	100.0
$11,000 to $11,999	13.3	5.2	5.6	.2	24.8	42.7	25.5	6.8	100.0
$12,000 to $12,999	11.1	5.4	5.8	.2	17.3	41.4	30.8	10.3	100.0
$13,000 to $13,999	7.2	5.5	5.9	.2	13.8	39.0	35.0	12.0	100.0
$14,000 to $15,999	6.9	5.7	6.2	.4	7.6	35.2	40.3	16.5	100.0
$16,000 to $19,999	2.8	6.0	6.4	.1	5.6	26.1	41.5	26.7	100.0
$20,000 or more	.6	6.3	6.7	1.2	3.4	19.3	36.9	39.2	100.0
Total	100.0	5.1	5.5	.5	28.9	37.9	24.6	8.1	100.0

[1] Less than 0.05 percent.

Other qualitative aspects of Section 203 single-family home transactions insured in 1952 are shown in Table 35, which presents averages of selected characteristics by calculated area groups. For both new and existing homes, increases in calculated areas were marked by increases in average property values, total requirements, housing expense, rental value, number of rooms and bedrooms, and proportion with garages.

For houses with areas of less than 900 square feet, the new-home averages of property value and total requirements were lower than for existing homes; for houses with areas of 900 to 1,099 square feet the new- and existing-home averages were virtually the same; and for houses of 1,200 or more square feet the new-home averages were somewhat higher. Estimated housing expense for existing homes exceeded that reported for new homes in the area groups of less than 1,200 square feet, but in the houses with larger areas the new-home expenses were expected to be higher. As indicated previously, housing expense for existing properties is generally higher because of the larger mort-

TABLE 34.—*Number of bedrooms by property value of single-family homes, Sec. 203, 1952*

FHA estimate of property value	Percentage distribution	Average number of bedrooms	Median number of bedrooms	Number of bedrooms—Percentage distribution				
				1	2	3	4–6	Total
New homes								
Less than $6,000	0.4	2.0	2.5	1.3	98.7	--------	--------	100.0
$6,000 to $6,999	3.8	2.0	2.5	.3	97.1	2.6	--------	100.0
$7,000 to $7,999	10.4	2.2	2.6	.5	77.2	22.2	0.1	100.0
$8,000 to $8,999	15.9	2.5	3.0	.2	48.2	51.5	.1	100.0
$9,000 to $9,999	18.8	2.6	3.2	.2	38.2	61.5	.1	100.0
$10,000 to $10,999	16.9	2.6	3.2	.3	35.9	63.4	.4	100.0
$11,000 to $11,999	12.8	2.7	3.3	.3	30.5	68.3	.9	100.0
$12,000 to $12,999	9.0	2.7	3.3	.3	27.4	70.6	1.7	100.0
$13,000 to $13,999	5.4	2.8	3.4	.4	24.1	71.0	4.5	100.0
$14,000 to $15,999	4.4	2.8	3.4	.2	21.5	75.1	3.2	100.0
$16,000 to $19,999	1.8	2.8	3.4	.7	19.5	74.7	5.1	100.0
$20,000 or more	.4	3.0	3.5	1.2	19.8	63.9	15.1	100.0
Total	100.0	2.6	3.1	.3	41.2	57.5	1.0	100.0
Existing homes								
Less than $6,000	1.4	2.3	2.7	10.3	55.6	27.0	7.1	100.0
$6,000 to $6,999	3.8	2.3	2.7	4.2	69.3	22.2	4.3	100.0
$7,000 to $7,999	8.4	2.3	2.7	2.6	67.9	24.7	4.8	100.0
$8,000 to $8,999	13.6	2.5	2.8	1.0	59.0	34.6	5.4	100.0
$9,000 to $9,999	15.3	2.5	2.9	1.1	54.2	39.4	5.3	100.0
$10,000 to $10,999	15.6	2.6	3.1	.7	45.5	47.4	6.4	100.0
$11,000 to $11,999	13.3	2.6	3.1	.6	43.1	49.3	7.0	100.0
$12,000 to $12,999	11.1	2.8	3.2	.3	36.4	53.7	9.6	100.0
$13,000 to $13,999	7.2	2.8	3.3	.2	31.6	57.5	10.7	100.0
$14,000 to $15,999	6.9	2.9	3.4	.4	23.7	63.6	12.3	100.0
$16,000 to $19,999	2.8	3.0	3.5	.6	20.5	61.3	17.6	100.0
$20,000 or more	.6	3.3	3.6	1.2	16.6	58.3	23.9	100.0
Total	100.0	2.6	3.1	1.1	46.1	45.2	7.6	100.0

gage payment and costs of operation and maintenance. The higher monthly housing expense shown in Table 35 for the larger new homes probably stems from higher monthly payments on mortgages which average more than the mortgages on existing houses of comparable calculated areas.

For homes of less than 1,200 square feet, rental values for new dwellings were generally lower than for existing homes, but were significantly higher in the area groups of 1,200 or more square feet. The higher rentals are generally assigned to existing homes because of their common location nearer the centers of the cities and towns; but the age of most of the larger existing structures probably more than offset any rental advantage accruing from a more favorable location.

Room-count averages were lower for new homes than for existing homes in most corresponding area groups, but the average number of bedrooms was usually larger for new than for existing houses when the areas were below 1,200 square feet. In nearly all area groups, the proportion of existing homes with garages exceeded the new-home proportion.

TABLE 35.—*Property characteristics by calculated area of single-family homes, Sec. 203, 1952*

Calculated area (sq. ft.)	Percentage distribution	Average							
		Calculated area (sq. ft.)	FHA value	Total requirements	Housing expense	Rental value	Number of rooms	Number of bedrooms	Percentage of structures with garage
New homes									
Less than 700	3.0	671	$7,722	$8,282	$67.33	$62.71	4.0	2.0	16.1
700 to 799	18.7	752	8,781	9,429	74.31	70.73	4.1	2.0	28.7
800 to 899	23.7	849	9,637	10,475	80.64	77.28	4.5	2.4	42.5
900 to 999	16.5	945	10,303	11,225	84.48	83.08	4.9	2.6	53.4
1,000 to 1,099	15.5	1,048	10,721	11,728	86.99	87.75	5.2	2.8	69.9
1,100 to 1,199	10.8	1,146	10,810	12,181	88.38	86.82	5.5	2.9	78.1
1,200 to 1,399	8.3	1,288	12,573	14,029	98.74	101.50	5.5	2.9	81.4
1,400 to 1,599	2.6	1,475	13,923	16,209	106.17	108.31	5.8	3.0	74.4
1,600 to 1,999	.8	1,744	16,106	19,323	115.69	124.43	6.0	3.0	85.6
2,000 or more	.1	2,228	19,200	24,777	130.76	146.47	6.8	3.3	83.8
Total	100.0	966	10,245	11,272	84.12	82.53	4.8	2.6	53.4
Existing homes									
Less than 700	3.6	655	$8,013	$8,825	$70.82	$66.14	4.1	2.0	50.0
700 to 799	14.6	753	9,208	9,974	78.06	74.60	4.3	2.2	51.3
800 to 899	18.0	847	9,742	10,610	81.49	78.97	4.6	2.2	61.9
900 to 999	14.9	946	10,279	11,292	85.08	83.71	4.9	2.4	69.7
1,000 to 1,099	13.2	1,046	10,641	11,776	87.64	86.32	5.2	2.6	78.0
1,100 to 1,199	10.3	1,145	11,136	12,418	91.25	90.18	5.5	2.8	80.2
1,200 to 1,399	13.3	1,287	11,710	13,161	95.28	94.31	5.8	2.9	83.5
1,400 to 1,599	6.0	1,485	12,201	13,857	99.65	97.96	6.1	3.1	85.5
1,600 to 1,999	4.6	1,749	12,939	14,996	106.45	104.94	6.7	3.4	84.5
2,000 or more	1.5	2,307	14,362	16,592	119.19	115.85	7.5	4.2	83.4
Total	100.0	1,060	10,570	11,630	87.60	85.64	5.1	2.6	70.7

Mortgagors' Incomes and Housing Expense

Basic in the FHA underwriting procedure is an analysis of the mortgage credit risk elements involved in each transaction. This analysis involves consideration of such factors as the mortgagor's income, the relationship of that income to prospective housing expense and other fixed obligations, and the mortgagor's reasons for entering into the transaction.

An estimate is made of the mortgagor's effective income—that is, his probable earning capacity for a period approximating the first third of the mortgage term, which is likely to be the most crucial time in the life of a mortgage. Under certain conditions, part or all of the incomes of co-makers or endorsers may be included. Other items considered are the mortgagor's credit record and reputation, his financial ability to close the loan transaction, and the stability and adequacy of his income in relation to his various living expenses and other obligations, including the estimated prospective monthly housing expense.

Owner-occupant mortgagors were reported in 93 percent of the new and 99 percent of the existing single-family home transactions insured under Section 203 in 1952. The following data and discussion of mortgagors' incomes and expenses are based upon those cases in the sample which involved owner-occupant mortgagors.

Annual income distribution.—Chart 13 shows the distributions of the annual effective incomes of owner-occupant mortgagors involved in Section 203 transactions insured during 1952. More than half of the FHA new-home buyers had incomes of \$3,000 to \$4,999. Nearly three-tenths earned from \$5,000 to \$6,999, and one-ninth, \$7,000 to \$9,999. Only 3 percent of the new-home mortgagors had incomes of less than \$3,000, and 2 percent had incomes of \$10,000 or more.

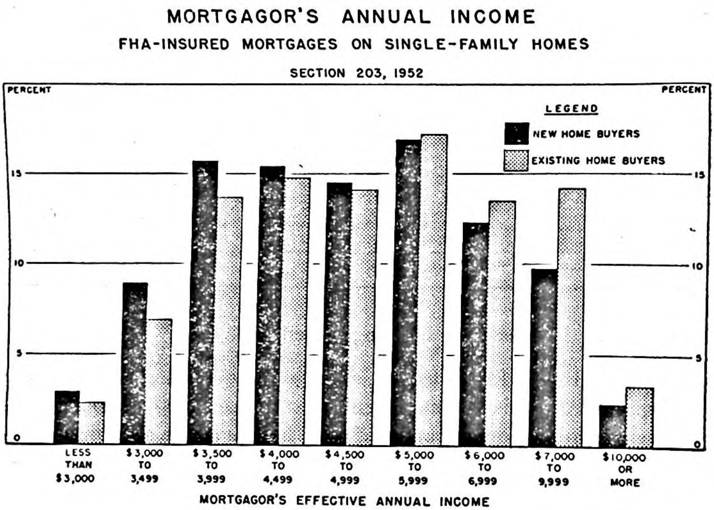

CHART 13.

The largest group (almost half) of existing-home mortgagors were also in the \$3,000 to \$4,999 income bracket, and 30 percent (about the same as in new-home transactions) had incomes of \$5,000 to \$6,999. The proportion of existing-home mortgagors in the higher income levels was somewhat larger than for the new-home buyers—14 percent reported incomes of \$7,000 to \$9,999, and 3 percent reported incomes of \$10,000 or more.

The pronounced upward shift from 1951 to 1952 in the income levels of new-home buyers is evident by examination of the distributions shown for those two years in Table 36. The proportion of new-home buyers with incomes of less than $4,000 declined from 43 to 28 percent, while the $4,000 to $6,999 income group increased from 48 to 59 percent and the $7,000 to $9,999 group from 7 to 11 percent. The $4,811 annual income of the typical new-home buyer in 1952 was nearly $600, or 14 percent, higher than the 1951 median—the largest relative yearly increase in FHA history.

The income distributions of the existing-home mortgagors in 1952 were at a higher level than in 1951, but the changes were not as marked as those for new-home buyers. The median income of existing-home mortgagors—$4,938—was only 4 percent above the comparable 1951 figure.

The change in the income distribution of FHA home buyers in 1952 may be partially attributable to an estimated over-all average increase of about 7 percent per family in total nonfarm income. This was identical with the percentage increase registered in the incomes reported for FHA existing-home mortgagors. On the other hand, the typical rise in income of new-home mortgagors (14 percent) was substantially greater, probably reflecting the increased influence of credit controls on new-home financing during 1952.

TABLE 36.—*Income of single-family home mortgagors, Sec. 203, selected years*

Mortgagor's effective annual income	New homes					Existing homes				
	1952	1951	1950	1946	1940	1952	1951	1950	1946	1940
	Percentage distributions									
Less than $1,500	(1)	(1)	(1)	0.2	5.1	(1)	(1)	0.1	0.3	5.2
$1,500 to $1,999	0.1	0.2	0.2	2.7	23.4	(1)	0.2	.3	4.2	20.5
$2,000 to $2,499	.5	1.6	2.6	16.0	28.3	0.5	1.1	2.4	19.4	25.0
$2,500 to $2,999	2.3	6.1	9.4	15.8	15.4	1.8	3.5	6.5	14.8	13.9
$3,000 to $3,499	8.9	15.7	21.5	19.7	11.9	6.9	10.2	15.3	19.3	11.6
$3,500 to $3,999	15.7	19.8	21.9	17.6	6.2	13.7	16.4	18.2	14.5	6.9
$4,000 to $4,499	15.4	14.7	13.8	8.8	3.2	14.8	14.1	12.6	7.1	4.0
$4,500 to $4,999	14.5	11.8	10.3	7.5	2.0	14.1	13.0	11.5	6.7	3.1
$5,000 to $5,999	16.9	12.5	9.7	4.1	1.9	17.2	15.2	11.9	4.3	3.3
$6,000 to $6,999	12.3	9.0	5.8	4.3	1.2	13.5	12.0	9.4	4.4	2.5
$7,000 to $9,999	11.1	6.9	4.0	2.4	.9	14.2	11.1	8.7	3.5	2.5
$10,000 or more	2.3	1.7	.8	.9	.5	3.3	3.2	3.1	1.5	1.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Average	$5,160	$4,662	$4,213	$3,619	$2,665	$5,425	$5,176	$4,837	$3,640	$3,012
Median	4,811	4,225	3,861	3,313	2,416	4,938	4,726	4,274	3,101	2,490

[1] Less than 0.05 percent.

Monthly income of Section 8 mortgagors.—The typical owner-occupant mortgagor involved in Section 8 transactions insured through 1952 had a monthly income of $303, or nearly $100 less than that of the typical buyer of a new Section 203-insured home. The overwhelming majority of the Section 8 mortgagors earned between $200 and $400 monthly, as is shown in the following table:

Monthly effective income	Percent distribution	Monthly effective income	Percent distribution
Less than $200	4.3	$400 to $499	11.0
$200 to $249	15.1	$500 or more	6.7
$250 to $299	27.5		
$300 to $349	24.9	Total	100.0
$350 to $399	10.5		

Comparable data on the incomes of Section 903 mortgagors are not available, due to the relatively small number of these cases which involved owner-occupant mortgagors.

Averages of selected characteristics by income groups.—Table 37 presents averages of selected transaction characteristics by monthly income levels in Section 203 cases insured in 1952. For example, new-home mortgagors with monthly incomes of $300 to $349 purchased or built properties with an average value estimated by FHA at $9,442, or nearly 2½ times the mortgagor's average annual income. The $7,772 average mortgage amount represented 82 percent of property value, but only 76 percent of the $10,271 average total requirements. The houses averaged 902 square feet in calculated area and 4.7 in room count. The average estimated monthly rental value for these new homes was $76.36, or about $16 more than the average monthly mortgage payment of $59.77. The prospective monthly housing expense for this group of mortgagors averaged $78.41, or about one-fourth of their average monthly income.

As would be expected, increases in mortgagors' incomes, for both new- and existing-home transactions, were accompanied by increases in property values, total requirements, mortgage amounts, and the related monthly items of mortgage payment, housing expense, and rental value.

Although the average monthly income for all new-home buyers was about 5 percent less than that of existing-home buyers, there was close similarity between the income averages of new- and existing-home buyers for most corresponding income groups. Due to the more favorable terms for new construction, the average mortgage amounts and ratios of loan to value for new-home income groups were higher than for comparable existing-home groups. For buyers with monthly incomes below $350, total requirements and property values averaged higher in new-home transactions than in those involving existing homes. The reverse was true, however, for buyers in the higher income brackets. Average housing expenses and monthly rental values were, almost without exception, lower in the case of new-home buyers, but monthly mortgage payments averaged almost the same for

TABLE 37.—*Transaction characteristics by income of single-family home mortgagors, Sec. 203, 1952*

Mortgagor's effective monthly income	Percentage distribution	Average: Total requirements [1]	Average: Sale price [1]	Average: Property value	Average: Mortgage amount	Average: Calculated area (sq. ft.)	Average: Number of rooms	Mortgage as a percent of FHA value	Ratio of FHA value to annual income	Monthly average: Income	Monthly average: Housing expense	Monthly average: Rental value	Monthly average: Mortgage payment
New homes													
Less than $200	0.3	$7,950	$7,707	$7,256	$5,387	811	4.5	74.2	3.5	$171.59	$56.62	$58.86	$42.00
$200 to $249.99	2.6	8,751	8,511	8,120	6,712	848	4.5	82.7	3.0	228.87	68.90	65.33	50.65
$250 to $299.99	10.8	9,397	9,128	8,688	7,210	870	4.6	83.0	2.6	273.95	72.84	69.95	54.85
$300 to $349.99	19.3	10,271	9,975	9,442	7,772	902	4.7	82.3	2.4	321.35	78.41	76.36	59.77
$350 to $399.99	16.5	10,930	10,587	10,022	8,179	949	4.8	81.6	2.3	369.37	82.65	81.05	63.64
$400 to $449.99	16.0	11,445	11,053	10,413	8,422	982	4.9	80.9	2.1	417.59	85.88	83.73	66.36
$450 to $499.99	8.9	11,845	11,364	10,783	8,658	1,009	4.9	80.3	1.9	468.78	88.20	86.70	68.44
$500 to $549.99	8.7	12,264	11,763	11,086	8,851	1,039	5.0	79.8	1.8	515.69	90.52	88.90	70.60
$550 to $599.99	4.9	12,525	11,926	11,302	8,939	1,043	5.0	79.1	1.7	569.61	92.10	90.64	72.49
$600 to $699.99	6.3	13,129	12,411	11,741	9,246	1,076	5.1	78.7	1.5	633.58	95.45	94.04	74.00
$700 to $799.99	2.7	13,807	12,904	12,251	9,550	1,144	5.2	78.0	1.4	732.15	98.90	97.72	77.96
$800 or more	3.0	15,150	13,943	12,976	9,883	1,182	5.3	76.2	1.1	999.07	103.05	103.78	8.091
Total	100.0	11,273	10,827	10,251	8,281	972	4.8	80.8	2.0	429.98	84.35	82.50	65.00
Existing homes													
Less than $200	0.3	$7,315	$7,131	$6,853	$5,034	902	4.6	73.5	3.2	$180.93	$58.84	$57.09	$41.88
$200 to $249.99	2.1	8,421	8,124	7,791	5,881	908	4.8	75.5	2.8	228.02	66.27	64.00	47.74
$250 to $299.99	8.4	9,290	9,094	8,644	6,604	938	4.8	76.4	2.6	273.98	73.36	70.77	53.81
$300 to $349.99	17.4	10,150	9,947	9,372	7,204	971	4.9	76.9	2.4	321.42	79.13	76.47	58.31
$350 to $399.99	15.8	10,958	10,765	10,004	7,709	1,009	5.0	76.8	2.3	369.10	84.10	81.92	62.61
$400 to $449.99	15.6	11,666	11,443	10,601	8,099	1,045	5.1	76.4	2.1	417.16	87.80	85.63	65.71
$450 to $499.99	9.5	12,218	11,934	11,030	8,430	1,077	5.2	76.4	2.0	468.55	91.12	89.54	69.15
$500 to $549.99	9.6	12,564	12,309	11,319	8,608	1,118	5.3	76.0	1.8	514.28	93.09	91.68	70.45
$550 to $599.99	5.4	13,019	12,731	11,663	8,862	1,140	5.3	76.0	1.7	570.24	95.46	93.66	72.38
$600 to $699.99	8.1	13,552	13,232	12,015	9,135	1,173	5.4	76.0	1.6	634.87	98.61	96.49	74.98
$700 to $799.99	3.6	14,414	14,019	12,693	9,504	1,230	5.5	74.9	1.4	734.68	102.40	101.94	78.44
$800 or more	4.2	15,983	15,426	13,863	10,079	1,378	5.8	72.7	1.2	992.11	110.59	110.21	84.52
Total	100.0	11,049	11,394	10,560	8,040	1,061	5.1	76.1	1.9	452.09	87.56	85.56	65.63

[1] Based on proposed construction and purchases only.

new and existing homes purchased by buyers in comparable income ranges. Monthly rental values tended to parallel property values, while monthly mortgage payments reflected the larger amounts of the new-home mortgages and the shorter duration of the existing-home mortgages. The higher operating, maintenance, and repair expenses for existing construction account for the higher levels of housing expense shown for these transactions.

As discussed previously, one of the most important items in determination of mortgage risk in the FHA underwriting procedure is the relationship between prospective housing expense and mortgagor's income. Table 38 shows distributions of monthly housing expense by monthly income groups for owner-occupant mortgagors involved in the new- and existing-construction Section 203 transactions insured during 1952. Housing expense rose with increases in mortgagors' incomes, but at a slower rate in the higher income levels, ranging from $55.18 for new-home mortgagors with monthly incomes under $200, to $102.50 for those earning $800 or more monthly. For existing-home mortgagors, the corresponding low and high housing expense medians are $58.98 and $108.24, with the medians for the intervening income groups almost always higher than those characterizing new-home mortgagors with similar incomes.

RANGE OF HOUSING EXPENSE BY MORTGAGOR'S INCOME—NEW HOMES

FHA-INSURED MORTGAGES ON SINGLE-FAMILY HOMES

SECTION 203, 1952

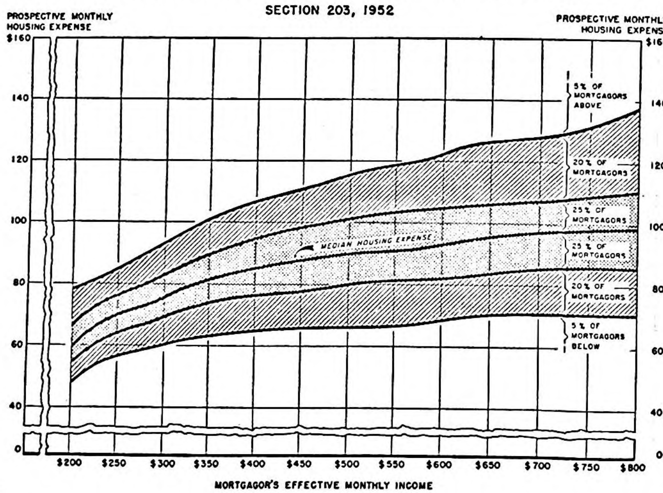

CHART 14.

As Table 38 indicates, there is a fairly broad distribution of housing expenses at all income levels. This situation is depicted more clearly by Chart 14, which shows the ranges of housing expense by monthly effective income for buyers of new homes securing mortgages insured in 1952 under Section 203. This chart shows that as mortgagors' incomes rose the range of housing expense expanded, and that housing expense, for the bulk of the mortgagors in the higher income brackets, rose at a slower rate than income.

The monthly mortgage payment constitutes the major element in housing expense. As depicted in Chart 15, its proportionate share of housing expense tended to increase as the income of the mortgagors increased, reflecting the larger amounts and shorter durations of mortgages assumed by buyers in the higher income groups. Monthly payments consistently represented smaller proportions of total housing expense for existing-home buyers than for new-home mortgagors in the same income groups, due to the higher operating maintenance, and repair expenses of existing properties.

MORTGAGE PAYMENT AND HOUSING EXPENSE BY MORTGAGOR'S INCOME

FHA - INSURED MORTGAGES ON SINGLE-FAMILY HOMES, SECTION 203, 1952

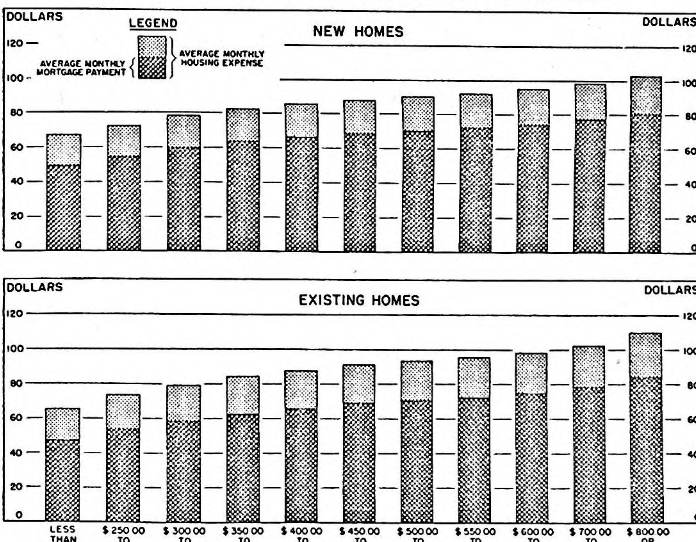

CHART 15.

TABLE 38.—*Housing expense by income of single-family home mortgagors, Sec. 203, 1952*

Mortgagor's effective monthly income	Percentage distribution	Median monthly housing expense	Monthly housing expense—Percentage distribution										
			Less than $50.00	$50.00 to $59.99	$60.00 to $69.99	$70.00 to $79.99	$80.00 to $89.99	$90.00 to $99.99	$100.00 to $109.99	$110.00 to $119.99	$120.00 to $139.99	$140.00 or more	Total
New homes													
Less than $200	0.3	$55.18	24.1	43.0	22.8	5.0	5.1						100.0
$200 to $249.99	2.6	68.13	2.3	14.4	42.8	34.6	5.1	0.6	0.2				100.0
$250 to $299.99	10.8	73.47	.7	5.3	29.1	41.7	21.1	1.9	.2				100.0
$300 to $349.99	19.3	78.88	.1	2.7	16.8	34.7	32.0	11.7	1.9	0.1			100.0
$350 to $399.99	16.5	83.28	.1	1.8	11.5	26.6	30.3	22.3	6.6	.7	0.1		100.0
$400 to $449.99	16.0	86.45	.1	1.7	10.2	20.0	28.0	23.7	13.8	2.2	.3		100.0
$450 to $499.99	8.9	88.58	.1	1.1	9.3	19.1	23.7	23.0	17.3	5.5	.7	0.2	100.0
$500 to $549.99	8.7	90.84	.1	1.0	7.6	14.7	24.6	23.3	17.7	8.2	2.8		100.0
$550 to $599.99	4.9	91.37	.1	.6	7.3	15.7	23.3	21.1	19.3	8.0	4.2	.4	100.0
$600 to $699.99	6.3	94.59		.6	4.3	13.9	21.1	21.9	20.3	10.1	6.5	1.3	100.0
$700 to $799.99	2.7	97.77	.2	.3	3.4	10.0	18.6	22.6	23.8	11.7	7.7	1.7	100.0
$800 or more	3.0	102.50		.3	2.8	9.3	17.7	14.0	20.3	15.8	11.9	7.0	100.0
Total	100.0	83.16	.3	2.5	13.3	24.9	25.8	17.5	10.2	3.5	1.6	.4	100.0
Existing homes													
Less than $200	0.3	58.98	17.2	39.4	33.3	9.1	1.0						100.0
$200 to $249.99	2.1	66.43	5.8	18.8	40.0	26.9	7.0	0.9	0.5	0.1			100.0
$250 to $299.99	8.4	74.05	1.8	7.8	26.0	35.0	24.0	4.7	.6	.1			100.0
$300 to $349.99	17.4	79.93	.4	4.3	16.3	29.2	30.7	15.8	2.9	.3	0.1		100.0
$350 to $399.99	15.8	84.59	.4	3.2	10.8	22.9	27.7	23.5	9.9	1.4	.2		100.0
$400 to $449.99	15.6	88.50	.2	2.4	9.0	18.0	24.0	23.4	16.5	5.5	1.0		100.0
$450 to $499.99	9.5	92.04	.3	1.1	7.3	15.1	21.5	23.3	19.4	9.5	2.4	0.1	100.0
$500 to $549.99	9.6	93.95	.2	1.7	5.7	13.5	19.2	24.1	19.1	11.2	5.0	.3	100.0
$550 to $599.99	5.4	95.87	.2	1.0	5.3	11.4	18.9	22.5	21.2	11.5	7.2	.8	100.0
$600 to $699.99	8.1	99.06	.1	.6	4.0	11.2	15.9	20.1	20.8	15.5	9.9	1.9	100.0
$700 to $799.99	3.6	103.04		.8	2.9	9.1	11.4	19.5	20.7	17.9	14.0	3.7	100.0
$800 or more	4.2	108.24		.6	1.8	6.0	10.1	16.7	18.0	16.6	18.9	11.3	100.0
Total	100.0	86.63	.5	3.2	11.1	19.8	22.7	19.3	12.7	6.3	3.5	.9	100.0

Chart 16 pictorializes the percentage distributions of monthly mortgage payments reported for new and existing single-family homes securing mortgages insured under Section 203 during 1952. Comparison of these distributions with those of selected previous years is made in Table 39.

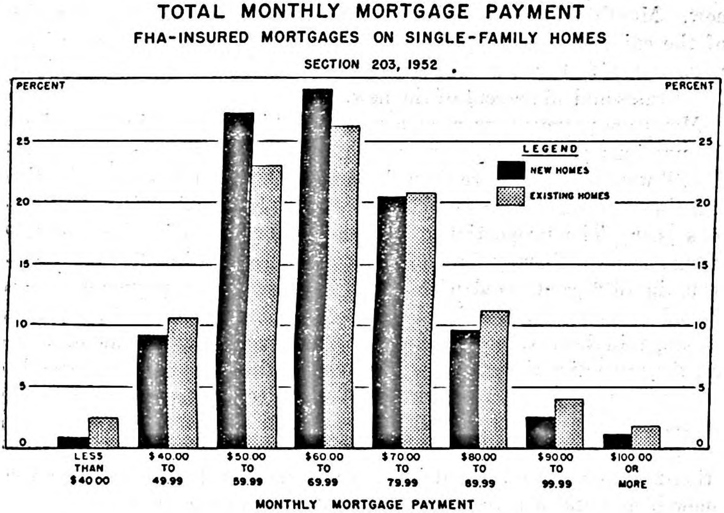

CHART 16.

TABLE 39.—*Monthly mortgage payment for single-family homes, Sec. 203, selected years*

Total monthly mortgage payment	New homes					Existing homes				
	1952	1951	1950	1946	1941	1952	1951	1950	1946	1941
	Percentage distribution									
Less than $25	--------	(1)	0.1	1.3	11.0	0.1	0.4	1.2	5.5	15.8
$25 to $29.99	(1)	0.1	.1	4.1	17.1	.1	.6	1.1	9.0	15.2
$30 to $34.99	0.2	.5	.6	11.3	21.1	.6	1.4	2.3	16.0	16.3
$35 to $39.99	.6	1.6	3.4	13.7	18.8	1.6	3.5	5.4	18.3	14.4
$40 to $44.99	2.7	7.0	12.9	16.6	13.0	3.8	6.2	9.2	15.3	11.0
$45 to $49.99	6.5	13.8	16.9	14.5	6.7	6.8	9.3	12.6	11.6	7.8
$50 to $54.99	11.7	18.5	18.6	17.1	4.1	10.0	12.3	13.9	7.8	5.1
$55 to $59.99	15.5	17.5	16.6	10.0	2.9	13.0	13.5	13.3	5.0	3.6
$60 to $64.99	15.4	14.3	12.2	5.8	1.9	13.7	12.9	10.8	3.5	2.6
$65 to $69.99	13.7	10.9	8.2	3.2	1.2	12.5	11.3	8.5	2.2	1.8
$70 to $74.99	10.7	6.3	4.8	1.4	.8	11.3	8.6	5.9	1.6	1.4
$75 to $79.99	9.8	3.9	2.4	.4	.4	9.5	6.8	4.3	1.2	1.0
$80 to $89.99	9.6	3.3	1.7	.3	.4	11.2	8.1	5.3	1.2	1.4
$90 to $99.99	2.5	1.3	.7	.2	.2	4.0	3.1	2.6	.6	.9
$100 or more	1.1	1.0	.8	.1	.4	1.8	2.0	3.6	1.2	1.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Average	$64.63	$58.63	$55.38	$46.06	$36.88	$65.65	$61.98	$58.94	$43.25	$39.50
Median	64.16	58.84	54.31	46.18	35.21	65.08	61.57	56.65	40.83	35.91

[1] Less than 0.05 percent.

Monthly payments of $50 to $79 predominated in Section 203 transactions insured in 1952, accounting for over 75 percent of the new-home and 70 percent of the existing-home mortgages. Reflecting the larger proportions of existing-home mortgages in the lower and higher amount ranges, monthly payments in the lower and higher ranges were relatively more numerous for existing-home mortgages than for new. Monthly payments of less than $50 were reported for 13 percent of the existing- and 10 percent of the new-home mortgages, while payments of $80 or more were required for 17 percent of the existing-home cases and 13 percent of the new.

Mortgage payments were at a generally higher level in 1952 than in previous years. The typical new-home mortgage payment of $64.16 was 9 percent more than the comparable 1951 figure, while the existing-home median of $65.08 was 6 percent higher than in the previous year. The proportion of new-home payments in the $40–$59 range declined sharply from 57 percent of the total in 1951 to 36 percent in 1952, contrasted with a rise in the $60–$79 payment range from 35 to 50 percent and in the $80–$99 group from 5 to 12 percent. Changes in the distribution of existing-home mortgage payments were in the same direction, but less pronounced than for new homes—the relative number of payments of $30–$59 decreasing from 46 to 36 percent, while the $60–$99 group registered an increase from 51 to 69 percent. In the aggregate, monthly payments reported for Section 203 mortgages insured in 1952 averaged 10 percent higher for new homes and 6 percent more for existing homes than in 1951.

Project Mortgage Insurance

The activities of the Federal Housing Administration encompass several mortgage insurance programs designed to assist private industry in financing the construction or purchase of large-scale rental or cooperative housing projects. In 1952, there were seven such programs in operation, including:

Title II:
- Section 207—Rental housing
- Section 213—Cooperative housing

Title VI:
- Section 608—Veterans' emergency housing
- Section 608–610—Sale of certain public housing
- Section 611—Site-fabricated housing

Title VIII:
- Section 803—Military housing

Title IX:
- Section 908—Defense housing

FHA is also authorized (under Title VII of the National Housing Act) to insure a minimum annual amortization of 2 percent of the established investment together with an annual return of 2¾ percent on outstanding investments in debt-free rental housing projects for families of moderate income. This program has been inactive since its inception in 1948. No insurance was written in 1952 on mortgages made to finance the sale of public housing under Section 608–610, due to restrictions placed on the disposition of this type of housing following the invasion of South Korea. A statement of the purposes of these various programs appears at the beginning of this report.

Volume of Business

In 1952, for the second consecutive year, the annual dollar volume of project mortgages insured by FHA declined by almost 50 percent (Table 40 and Chart 17). The $322 million insured in 1952 represented only 10 percent of the total amount of the loans and mortgages insured under all FHA programs—a substantial reduction from the 27 percent reported for 1949 and 1950.

The 2-year decline in project mortgage insurance activity primarily reflects the legislative limitation on the FHA authority to issue commitments for the insurance of new-construction mortgages under the high-volume Section 608 Veterans' Emergency Housing Program. Such commitments may be issued only with respect to applications received on or before March 1, 1950. The last outstanding new-construction commitment expired in October 1952. This terminated a program under which over 465,000 new dwelling units for defense workers and veterans of World War II were placed under construction in the period from 1942 through 1952. The new-construction mortgages insured under Section 608 during this period aggregated $3.4 billion on projects located in every State, the District of Columbia, and 3 Territories.

Project operations were further restricted during 1951 and 1952 by credit control regulations, the controlled materials program, the scarcity of mortgage money, and the apparent desire of potential project developers to defer the construction of additional new units pending the completion and absorption of projects started in recent high-volume years.

The largest volume of project mortgage insurance reported in 1952 was under the Section 803 military housing program, which, although one-third below 1951, accounted for almost one-half of the dollar volume of all project mortgages insured. The 58 Section 803 mortgages aggregated $135.8 million, secured by 17,200 dwelling units—primarily in single-family structures—located at or near Army, Navy, Air Force, or Atomic Energy Commission establishments.

TABLE 40.—*Project mortgages insured by FHA, 1935–52*

[Dollar amounts in thousands]

Year	Grand total [1]		Total new construction		Total existing or refinanced construction		New construction					
							Sec. 207 [2]		Sec. 213			
									Sales type		Management type	
	Units	Amount	Units	Amount	Units	Amount	Units	Amount	Units	Amount	Units	Amount
1935–39	29,777	$114,429	29,777	$114,429			29,777	$114,429				
1940–44	45,751	188,446	41,890	174,187	3,861	$14,259	7,946	28,752				
1945–49	265,213	2,022,878	260,592	2,008,452	4,621	14,426	1,054	8,519				
1950	154,597	1,156,681	153,477	1,154,680	1,120	2,002	2,514	18,065	285	$2,691		
1951	74,207	583,774	73,333	577,545	874	6,229	4,890	33,201	1,928	17,726	6,067	$55,194
1952	39,839	321,911	39,839	321,911			6,043	41,843	3,681	35,788	6,093	55,913
Total	609,384	4,388,119	598,908	4,351,203	10,476	30,916	52,224	244,808	5,894	56,205	12,160	111,107

Year	New construction—Continued								Existing or refinanced construction					
	Sec. 608 [2]		Sec. 611		Sec. 803		Sec. 908		Sec. 207		Sec. 608		Sec. 608–610	
	Units	Amount	Units	Amount	Units	Amount	Units	Amount	Units	Amount	Units	Amount	Units	Amount
1935–39														
1940–44	33,944	$145,436							3,267	$11,444	594	$2,815		
1945–49	257,723	1,986,212	275	$1,650	1,540	$12,071			1,344	5,142	476	2,828	2,801	$6,456
1950	135,076	1,007,996	473	2,877	15,129	123,052					16	133	1,104	1,868
1951	33,799	259,937	966	5,832	25,683	205,653					864	6,194	10	35
1952	3,457	29,634	125	706	17,233	135,842	3,207	$22,186						
Total	463,999	3,429,215	1,839	11,065	59,585	476,617	3,207	22,186	4,611	16,586	1,950	11,971	3,915	8,360

[1] For total number and amount of mortgages insured under each section in 1951, 1952, and cumulatively through 1952, see Table 3.
[2] Including rehabilitation projects.

YEARLY VOLUME OF PROJECT MORTGAGES INSURED, 1935 - 1952

NUMBER OF DWELLING UNITS UNDER ALL PROGRAMS

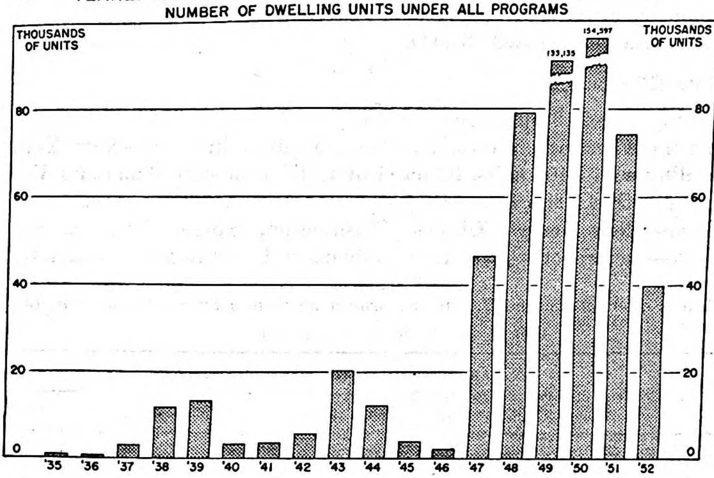

CHART 17.

The 59 project mortgages insured under the cooperative housing provisions of Section 213 totaled $91.7 million and covered 9,800 dwelling units—about two-thirds in management-type projects. Sales-type Section 213 project mortgages contain release-clause provisions under which cooperative members may purchase the individual homes built by the cooperative association. Such purchases may involve the insurance of the single-family home mortgages under Section 213 or other sections of the National Housing Act. These individual home mortgages are included in the discussion of home mortgage insurance operations presented earlier in this report.

Section 207 was the third most active program in 1952, with 67 mortgages covering 6,000 dwelling units and aggregating $41.8 million. Section 608 insurance accounted for only $29.6 million of the year's total, while the first-year operations of Section 908 made up 7 percent ($22.2 million) of the aggregate project insurance. Only 1 mortgage (125 units) was insured under the Section 611 site-fabricated housing program in 1952. All project mortgages insured during the year financed the construction of new dwelling units, no activity being reported under the Section 608–610 existing construction program or under the refinancing provisions of the other project sections.

The volume of projects in the earlier stages of processing also declined in 1952 under most of these programs. Applications received during the year involved 55,000 dwelling units (compared with 75,000 in 1951), while commitments issued covered 42,000 units (down from

56,000). Almost 51,000 project units were started and 89,000 reported completed under FHA inspection. Dwelling units under construction during the year totaled 134,000.

State Distribution

Properties in 3 States accounted for 46 percent of the 39,800 dwelling units securing project mortgages insured in 1952—New York leading with 7,100 units, followed by California with 6,800 and Virginia with 4,300 (Table 41 and Chart 18). These States and 5 others—New Jersey, Illinois, Washington, North Carolina, and Ohio—each reported over 1,000 units insured, and together accounted

Table 41.—*Volume of FHA-insured project mortgages by State, location, 1952*

[Dollar amounts in thousands]

State	All sections			Sec. 207	Sec. 213	Sec. 608	Sec. 611	Sec. 803	Sec. 908
	Number	Amount	Units	Units	Units	Units	Units	Units	Units
Alabama	12	$4,353	606	128				440	38
Arizona	3	5,135	680	130				550	
Arkansas	2	2,994	341		341				
California	26	58,024	6,820	49	3,072			[illegible],699	
Colorado	2	1,980	264					96	168
Connecticut	7	6,994	862		60				802
Delaware									
District of Columbia									
Florida	4	5,396	664		68			596	
Georgia	5	7,033	886	32		29	125	700	
Idaho									
Illinois	10	14,330	1,760	512	35	973		240	
Indiana	8	3,774	523					10	513
Iowa	1	175	24	24					
Kansas	2	746	87					75	12
Kentucky	2	3,780	476					400	76
Louisiana	1	1,333	148					148	
Maine									
Maryland	5	5,909	718		70	340		268	40
Massachusetts	1	927	101					100	
Michigan	3	2,425	266	86	180				
Minnesota									
Mississippi	1	1,125	140					140	
Missouri	8	1,099	170	154		16			
Montana	1	3,177	400					400	
Nebraska									
Nevada									
New Hampshire									
New Jersey	18	22,511	2,828	312	12	1,644		815	45
New Mexico	1	2,026	235					235	
New York	33	64,264	7,117	463	5,624	524		506	
North Carolina	6	11,492	1,588	316				1,096	176
North Dakota									
Ohio	6	10,607	1,232	160	48			1,000	24
Oklahoma	12	3,727	497		112				389
Oregon	1	225	32						32
Pennsylvania	7	2,113	311	21	52	46		100	92
Rhode Island	1	421	52					52	
South Carolina	2	997	135			50		85	
South Dakota	1	63	12	12					
Tennessee	7	2,310	379	179	100			100	
Texas	5	6,514	965	435				530	
Utah	2	6,199	750					750	
Vermont									
Virginia	16	26,305	4,265	2,500				1,265	500
Washington	7	13,505	1,700	98				1,300	300
West Virginia									
Wisconsin	3	271	46	46					
Wyoming									
Alaska	6	5,729	386	386					
Hawaii	2	7,796	962					962	
Puerto Rico	1	4,725	575					575	
Total	240	321,911	39,839	6,043	9,774	3,457	125	17,233	3,207

for 69 percent of the total units insured during the year. The 1952 insurance was written on properties located in 37 States and three Territories.

In 1952, military establishments located in 28 States, Hawaii, and Puerto Rico benefited by mortgages insured under FHA's Section 803 program, with 5 States reporting over 1,000 units each. The cooperative housing program, on the other hand, was largely concentrated in New York (primarily with management-type cooperatives) and in California (primarily with sales-type projects). Section 207 mortgages were insured on properties located in 19 States and Territories, with Virginia accounting for 41 percent of the total insured units. The Section 908 defense housing program resulted in the insurance of mortgages on projects in 15 States, with Connecticut reporting the highest volume (800 units).

VOLUME OF PROJECT MORTGAGES INSURED IN 1952
(NUMBER OF DWELLING UNITS)

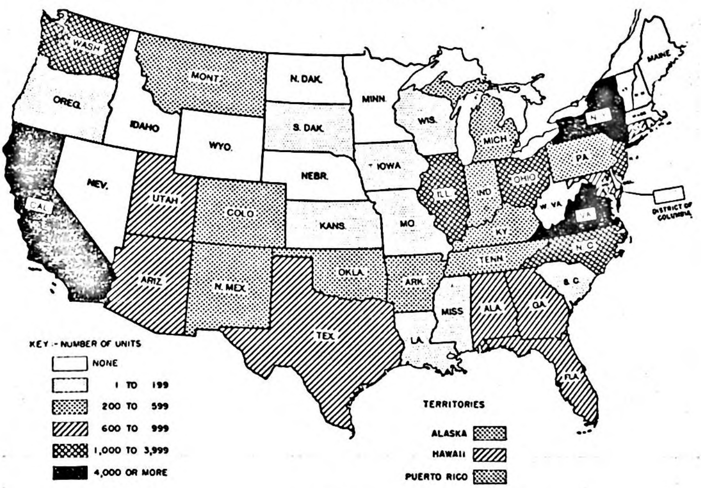

CHART 18.

During the first 18 years of FHA operations under the project programs, 111,500 dwelling units in New York were financed through FHA-insured project mortgages (Table 42). In addition to this very large volume in New York, mortgages were insured on 56,000 units in New Jersey, 41,600 in Maryland, 41,400 in Virginia, and 39,000 in California. These five States led all others by substantial margins. In addition, Texas, Pennsylvania, Illinois, Georgia, and the District

TABLE 42.—*Volume of FHA-insured project mortgages by State location, 1935–52*

[Dollar amounts in thousands]

State	All sections			Sec. 207	Sec. 213	Sec. 608	Sec. 608-610	Sec. 611	Sec. 803	Sec. 908
	Number	Amount	Units	Units	Units	Units	Units	Units	Units	Units
Alabama	230	$71,415	11,814	642	-------	10,269	-------	-------	865	38
Arizona	53	15,474	2,352	195	-------	947	-------	160	1,050	-------
Arkansas	53	11,258	1,634	211	491	932	-------	-------	-------	-------
California	984	276,525	39,043	3,482	4,543	21,575	58	973	8,412	-------
Colorado	69	21,438	2,995	251	-------	1,896	-------	-------	680	168
Connecticut	57	30,083	4,203	328	60	3,013	-------	-------	-------	802
Delaware	19	29,430	4,048	257	-------	3,771	20	-------	-------	-------
District of Columbia	180	142,787	21,102	2,065	-------	19,037	-------	-------	-------	-------
Florida	336	103,173	14,837	324	68	10,669	-------	-------	3,776	-------
Georgia	175	153,199	22,307	1,100	-------	18,882	150	125	2,050	-------
Idaho	8	4,573	571	-------	-------	571	-------	-------	-------	-------
Illinois	294	175,849	22,394	2,105	35	17,202	-------	-------	3,052	-------
Indiana	128	54,129	7,341	753	-------	6,065	-------	-------	10	513
Iowa	30	13,689	1,763	172	-------	1,591	-------	-------	-------	-------
Kansas	84	28,145	4,418	186	-------	3,243	350	-------	627	12
Kentucky	96	40,032	5,569	546	-------	2,247	-------	-------	2,700	76
Louisiana	93	64,021	8,651	713	-------	7,071	150	25	692	-------
Maine	14	2,913	688	-------	-------	688	-------	-------	-------	-------
Maryland	318	282,281	41,633	3,579	70	34,221	486	-------	3,237	40
Massachusetts	44	32,834	4,290	254	-------	3,186	-------	-------	850	-------
Michigan	249	67,098	9,464	918	324	7,211	500	-------	511	-------
Minnesota	155	45,695	6,232	1,195	-------	5,037	-------	-------	-------	-------
Mississippi	44	16,962	2,722	12	-------	1,852	-------	-------	858	-------
Missouri	159	80,623	11,169	1,574	-------	9,475	-------	-------	120	-------
Montana	5	5,216	727	-------	-------	135	-------	-------	592	-------
Nebraska	53	18,365	2,468	-------	71	1,786	-------	-------	611	-------
Nevada	14	4,966	641	-------	-------	240	-------	-------	401	-------
New Hampshire	7	1,672	244	-------	-------	244	-------	-------	-------	-------
New Jersey	555	407,285	56,026	3,354	12	51,500	-------	-------	1,115	45
New Mexico	16	17,730	2,072	-------	-------	277	-------	-------	1,795	-------
New York	855	900,590	111,476	11,568	11,620	85,807	566	556	1,359	-------
North Carolina	124	105,714	17,305	2,366	-------	9,107	85	-------	5,571	176
North Dakota	3	268	43	-------	-------	43	-------	-------	-------	-------
Ohio	290	140,149	19,079	790	48	16,207	10	-------	2,000	24
Oklahoma	141	32,077	4,414	132	419	2,974	-------	-------	500	389
Oregon	141	38,869	5,321	134	-------	5,155	-------	-------	-------	32
Pennsylvania	391	174,802	23,302	3,082	52	19,474	450	-------	152	92
Rhode Island	8	2,054	298	36	-------	210	-------	-------	52	-------
South Carolina	91	44,813	7,204	290	-------	6,329	-------	-------	585	-------
South Dakota	12	5,573	729	70	-------	258	-------	-------	401	-------
Tennessee	136	54,766	9,356	751	200	6,915	250	-------	1,240	-------
Texas	427	189,556	27,870	2,924	-------	19,432	-------	-------	5,514	-------
Utah	21	11,765	1,499	12	-------	737	-------	-------	750	-------
Vermont	7	1,512	193	56	-------	137	-------	-------	-------	-------
Virginia	364	260,881	41,382	8,377	-------	29,700	440	-------	2,365	500
Washington	124	75,441	9,782	413	-------	6,369	-------	-------	2,700	300
West Virginia	14	3,490	783	174	-------	209	400	-------	-------	-------
Wisconsin	165	32,521	4,087	218	41	3,828	-------	-------	-------	-------
Wyoming	6	4,451	571	-------	-------	71	-------	-------	500	-------
Alaska	30	41,553	3,583	1,226	-------	2,357	-------	-------	-------	-------
Hawaii	54	15,411	2,167	-------	-------	850	-------	-------	1,317	-------
Puerto Rico	26	33,000	5,522	-------	-------	4,947	-------	-------	575	-------
Total	7,952	4,388,119	609,384	56,835	18,054	465,949	3,915	1,839	59,585	3,207

of Columbia have each reported the insurance of over 20,000 units under these programs. The table shows the previously mentioned wide geographical distribution of the dwelling units covered by mortgages insured under Section 608. The distributions for Sections 207 and 803 indicate the completion of projects located in about three-fourths of the States and Territories. On the other hand, operations under the other project mortgage insurance programs—all designed to assist in financing the development of specialized types of large-scale housing projects—have been concentrated in relatively few States.

Terminations

Of the $4.4 billion in project mortgages insured by FHA, about 8 percent had been terminated through the end of 1952 (Table 43). Approximately two-thirds of the dollar volume of terminations resulted from prepayments in full prior to maturity, with an additional 5 percent through prepayments with a superseding or refinancing FHA-insured mortgage. About 233 cases for $100 million had been terminated through default on the part of the mortgagors. This represented about 30 percent of the total amount of all terminations, but only 2.3 percent of the amount insured. When a termination occurs through default, the mortgagee may (1) in exchange for FHA debentures, assign the mortgage to FHA without foreclosure proceedings or foreclose and transfer title of the property to FHA; or (2) foreclose, "withdraw" from the mortgage insurance contract, and retain title to the property. As Table 43 shows,

TABLE 43.—*Disposition of FHA-insured project mortgages, 1935–52*

[Dollar amounts in thousands]

Disposition	Total		Sec. 207		Sec. 213		Sec. 608	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Mortgages insured	7,952	$4,388,119	536	$261,394	100	$167,312	7,049	$3,441,186
Mortgages terminated:								
Prepayments in full	529	216,068	296	120,103	18	17,339	193	69,456
Prepayments by supersession	29	15,816	13	8,032	-----	-----	16	7,784
Matured loans	-----	-----	-----	-----	-----	-----	-----	-----
Mortgages assigned to FHA	79	34,061	2	3,144	1	1,507	76	29,411
Titles acquired by mortgagees:								
Projects transferred to FHA	145	64,324	17	12,752	-----	-----	128	51,571
Projects retained by mortgagees	9	1,639	7	1,407	-----	-----	2	232
Other terminations	12	1,033	8	578	-----	-----	4	455
Total terminations	803	332,941	343	146,016	19	18,846	419	158,910
Mortgages in force, Dec. 31, 1952	7,149	4,055,178	193	115,378	81	148,466	6,630	3,282,276

Disposition	Sec. 608–610		Sec. 611		Sec. 803		Sec. 908	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Mortgages insured	23	$8,360	22	$11,065	186	$476,617	36	$22,186
Mortgages terminated:								
Prepayments in full	5	1,743	17	7,426	-----	-----	-----	-----
Prepayments by supersession	-----	-----	-----	-----	-----	-----	-----	-----
Matured loans	-----	-----	-----	-----	-----	-----	-----	-----
Mortgages assigned to FHA	-----	-----	-----	-----	-----	-----	-----	-----
Titles acquired by mortgagees:								
Projects transferred to FHA	-----	-----	-----	-----	-----	-----	-----	-----
Projects retained by mortgagees	-----	-----	-----	-----	-----	-----	-----	-----
Other terminations	-----	-----	-----	-----	-----	-----	-----	-----
Total terminations	5	1,743	17	7,426	-----	-----	-----	-----
Mortgages in force, Dec. 31, 1952	18	6,617	5	3,639	186	476,617	36	22,186

145 projects with original face amounts aggregating $64 million had been foreclosed and transferred to FHA through December 31, 1952, while mortgages on 79 properties with mortgage amounts totaling $34 million had been assigned to FHA without foreclosure proceedings. Only 9 mortgages ($1.6 million) were retained by mortgagees, and no mortgages had matured under the project programs.

Under Section 207, a total of 343 mortgages involving 56 percent of the original amount of mortgages insured during 18 years of operations have been terminated—about four-fifths of the terminations occurring through prepayments in full, and one-eighth resulting from defaults. Only 5 percent of the amount of mortgages insured under the newer Section 608 program have been terminated—about one-half through prepayments in full and the remainder through default, the latter category including 206 mortgages originally totaling about $81.2 million. Although this volume of default terminations was much higher than that reported under Section 207, it amounted to only 2 percent of the amount of the Section 608 mortgages insured. Except for one mortgage assigned to FHA under Section 213, the small volume of terminations under the other project programs has been through prepayment of the mortgages prior to maturity. It may be noted that all the Section 213 prepayments involved sales-type projects in which the properties had been transferred to individual owners.

Table 44 shows the disposition of the 145 projects and 79 mortgage notes acquired by or assigned to FHA. As of December 31, 1952, 117 projects and 77 mortgage notes were being held by the agency, compared with 91 projects and 66 notes on hand at the end of the preceding year. This increase in inventory was almost entirely under Section 608. An analysis of some of the financial aspects of the Section 608 cases is presented in Section III of this report (Statement 19).

TABLE 44.—*Disposition of FHA-acquired projects and project mortgages, Dec. 31, 1952*

Disposition	All sections combined		Sec. 207		Sec. 608	
	Number	Number of units	Number	Number of units	Number	Number of units
Projects acquired by FHA [1]	145	10,846	17	3,033	128	7,813
On hand	117	6,774	----------	----------	117	6,774
Sold with reinsurance	8	2,085	7	1,491	1	594
Sold without reinsurance	6	728	4	704	2	24
Sold with mortgage held by FHA	14	1,259	6	838	8	421
Mortgage notes assigned to FHA	79	5,243	2	1,122	76	3,977
On hand [2]	77	4,099	1	20	75	3,935
Sold with reinsurance	1	1,102	1	1,102	----------	----------
Sold or settled without reinsurance	1	42	----------	----------	1	42

[1] Includes projects acquired by FHA after assignment of mortgage notes to FHA.
[2] Total includes 1 Sec. 213 note assigned to FHA involving 144 units.

Defaults of Project Mortgages

Seventy project mortgages secured by 5,585 dwelling units were reported in default under the various project programs as of December 31, 1952 (Table 45). This compares to 76 projects with 6,471 units in default at the end of 1951, and to 113 projects with 6,495 units at the end of 1950. The ratio of mortgages in default to insured mortgages in force has also declined. In terms of dwelling units, mortgages in default amounted to only slightly more than 1.0 percent of the mortgages in force at the year end, compared with 1.3 percent in 1951 and almost 1.5 percent in 1950.

Most of the defaults were in the Section 608 program—Section 207 showing only 2 defaults (42 units) and Section 611 only 1 default (19 units). With respect to the Section 608 program, units covered by mortgages in default combined with cumulative acquisitions by FHA amounted to 3.7 percent of the volume of insurance written—somewhat higher than the 3.3 percent reported at the end of 1951. For all project programs combined, this same ratio in 1952 was 3.6 percent. Included in the 70 cases in default December 31, 1952 were 17 projects with 526 units in process of foreclosure and acquisition by mortgagees, and 2 mortgage notes with 208 units being assigned to FHA—all under Section 608.

TABLE 45.—*Status of FHA-insured project mortgages in force, Dec. 31, 1952*

Status	All sections		Sec. 608	
	Number	Number of units	Number	Number of units
Insured mortgages in force	7,149	538,395	6,630	437,749
Insured mortgages in good standing	7,079	532,810	6,563	432,225
Insured mortgages in default, total	70	5,585	67	5,524
In default less than 90 days [1]	19	1,969	17	1,927
In default 90 days or more [2]	32	2,882	31	2,863
Projects being acquired by mortgagee	17	526	17	526
Mortgage notes being assigned to FHA	2	208	2	208
Insured mortgages in default at:				
Dec. 31, 1951	76	6,471	76	6,471
Dec. 31, 1950	113	6,495	112	5,695

[1] Total includes 2 mortgages under Sec. 207 with 42 units.
[2] Total includes 1 mortgage under Sec. 611 with 65 units (19 units subject to lien).

Financial Institution Activity

Mortgages financed and held.—In 1952, as in other postwar years, State banks led all other types of institutions in the volume of project mortgages originated, accounting for about $125 million, or 39 percent of the total (Table 46). With national banks ranking second, the two

TABLE 46.—*Originations and holdings of FHA-insured project mortgages by type of institution, 1952*

Type of institution	Number of institutions		Mortgages originated			Mortgages held Dec. 31, 1952		
	Originating	Holding	Number	Amount	Percent of amount	Number	Amount	Percent of amount
All sections								
National bank	Not available		45	$57,472	17.9	393	$201,446	5.0
State bank			71	125,406	39.0	551	492,716	12.2
Mortgage company			61	31,293	9.7	372	271,570	6.7
Insurance company			22	41,781	13.0	3,514	1,465,982	36.1
Savings bank			28	47,463	14.7	1,890	1,318,931	32.5
Savings and loan association			2	978	.3	87	20,194	.5
Federal agency						52	31,178	.8
All other			11	17,394	5.4	290	252,412	6.2
Total [1] [2]			240	321,911	100.0	7,149	4,054,430	100.0
Sec. 207								
National bank	9	12	17	$12,740	30.6	25	$24,440	21.2
State bank	6	13	13	13,700	32.8	27	20,189	17.5
Mortgage company	16	10	27	9,265	22.2	14	4,970	4.3
Insurance company	2	21	5	1,086	2.6	46	15,488	13.4
Savings bank	4	21	5	4,937	11.8	60	41,376	35.9
Savings and loan association		5				5	984	.8
Federal agency		1				3	1,276	1.1
All other		7				13	6,655	5.8
Total	37	90	67	41,843	100.0	193	115,378	100.0
Sec. 213								
National bank	3	2	3	$1,123	1.2	2	$683	0.5
State bank	5	6	12	24,031	26.2	22	44,571	30.7
Mortgage company	8	6	11	6,228	6.8	9	5,512	3.7
Insurance company	1	1	8	18,127	19.8	8	18,127	11.4
Savings bank	5	10	17	29,936	32.6	30	66,448	45.2
Federal agency		1				3	1,938	1.5
All other	2	1	8	12,256	13.4	7	11,188	7.0
Total	24	27	59	91,701	100.0	81	148,466	100.0
Sec. 608								
National bank	4	63	6	$2,207	7.5	332	$84,104	2.6
State bank	4	62	7	15,979	54.1	436	301,652	9.2
Mortgage company	3	40	2	2,841	9.6	338	250,907	7.6
Insurance company	1	114	2	6,210	21.1	3,391	1,275,310	38.9
Savings bank	1	80	1	1,850	6.3	1,756	1,134,414	34.6
Savings and loan association		34				80	18,232	.5
Federal agency		1				40	26,071	.8
All other	1	19	1	424	1.4	257	190,838	5.8
Total [2]	14	413	19	29,634	100.0	6,630	3,281,528	100.0
Sec. 803								
National bank	11	16	16	$37,557	27.6	29	$87,866	18.3
State bank	13	13	23	60,962	44.9	41	109,583	23.5
Mortgage company	6	5	7	6,379	4.7	6	7,983	1.7
Insurance company	2	6	5	15,888	11.7	57	153,994	32.2
Savings bank	3	13	5	10,740	7.9	40	73,388	15.5
Savings and loan association	1	1	1	421	.3	1	421	.1
All other	1	4	1	3,895	2.9	12	43,383	8.7
Total	37	58	58	135,842	100.0	186	476,617	100.0
Sec. 908								
National bank	3	4	3	$3,845	17.3	5	$4,354	19.6
State bank	6	7	16	10,735	48.4	17	11,795	53.2
Mortgage company	9	5	14	6,580	29.7	5	2,199	9.9
Insurance company	1	1	2	469	2.1	2	469	2.1
Savings bank		1				1	1,181	5.3
Savings and loan association	1	1	1	557	2.5	1	557	2.5
Federal agency		1				5	1,632	7.4
Total	20	20	36	22,186	100.0	36	22,186	100.0

[1] Totals include 1 Sec. 611 mortgage ($706,085) originated, and 5 Sec. 611 mortages ($3,638,600) and 18 Sec. 608–610 mortgages ($6,616,800) held.
[2] Less than face amount in force due to lag in tabulation of amendments.

types of commercial banks together accounted for almost 57 percent of all project mortgages financed. Savings banks originated about 15 percent, and insurance companies ranked a close fourth with 13 percent. Although the participation of State banks in 1952 was about the same as in 1951, the relative shares of other types of institutions showed substantial changes. National banks originated only 18 percent of the total in 1952, compared with 30 percent the previous year; conversely, the relative shares of savings banks and insurance companies about doubled.

The participation of the institutions varied somewhat among the various programs. Commercial banks accounted for about two-thirds of the total dollar volume of originations under Sections 207, 608, and 908 and almost three-fourths under Section 803. About one-third of the Section 213 mortgages were originated by savings banks and about one-fifth by insurance companies. Mortgage companies were heavy originators both under Section 908 (30 percent) and under Section 207 (22 percent).

Of the nearly $4.1 billion of FHA-insured project mortgages held in the portfolios of investment institutions at the end of 1952, insurance companies and savings banks each held about one-third. Both types of institutions increased their relative shares during 1952, with savings banks showing a much greater gain than was reported for insurance companies. State banks held about one-eighth of the total—a somewhat smaller proportion than in 1951—while the holdings of the Federal National Mortgage Association—the only Federal agency owning FHA-insured project mortgages—represented less than 1 percent of the total.

Since over four-fifths of all FHA project mortgages in force as of December 31, 1952 were insured under Section 608, the ranking of the various types of institutions under this program approximated the ranking under all programs combined. Under the Section 803 military housing program—the second in volume of project mortgages in force—insurance companies held 32 percent of the total, State banks 24 percent, national banks 18 percent; and savings banks, with relatively heavy holdings under all programs combined, ranked fourth with 16 percent. Under the Section 213 cooperative housing program, 45 percent of the dollar volume of mortgages was held by savings banks, 31 percent by State banks, and 11 percent by insurance companies. Savings banks also held the largest share of the Section 207 mortgages, with national banks in second place and State banks in third.

Transfers.—Over $660 million in FHA-insured project mortgages was transferred in the secondary market in 1952—more than double the amount of mortgages initially insured, although about one-fifth

TABLE 47.—*Purchase and sale of FHA-insured project mortgages by type of institution, 1952*

Type of institution	Number of institutions		Mortgages purchased			Mortgages sold		
	Purchasing	Selling	Number	Amount	Percent of amount	Number	Amount	Percent of amount
All sections								
National bank	Not available		21	$18,617	2.8	195	$233,283	35.3
State bank			40	16,783	2.5	260	294,142	44.6
Mortgage company			39	36,517	5.5	137	72,114	10.9
Not available			159	198,307	30.0	14	12,320	1.9
Savings bank			346	309,300	46.9	31	26,380	4.0
Savings and loan association			1	313	.1	9	5,387	.8
Federal agency			13	11,126	1.7	18	5,904	.9
All other			61	69,109	10.5	16	10,544	1.6
Total [1]			680	660,073	100.0	680	660,073	100.0
Sec. 207								
National bank	3	12	3	$2,701	10.8	17	$11,102	44.5
State bank	1	8	2	741	3.0	16	6,826	27.4
Mortgage company	----	11	----	----	----	20	6,650	26.7
Insurance company	5	1	8	3,374	13.6	1	206	.8
Savings bank	10	----	36	14,901	59.8	----	----	----
Savings and loan association	1	1	1	313	1.2	1	51	.2
Federal agency	1	1	2	734	2.9	1	91	.4
All other	3	----	4	2,161	8.7	----	----	----
Total	24	34	56	24,926	100.0	56	24,926	100.0
Sec. 213								
National bank	----	2	----	----	----	4	$10,875	33.8
State bank	1	2	1	$547	1.7	7	18,791	58.5
Mortgage company	1	3	1	440	1.4	3	1,418	4.4
Savings bank	6	----	10	29,225	90.9	----	----	----
Federal agency	1	----	3	1,938	6.0	----	----	----
All other	----	1	----	----	----	1	1,067	3.3
Total	9	8	15	32,150	100.0	15	32,150	100.0
Sec. 608								
National bank	7	43	15	$11,279	2.5	140	$110,832	24.3
State bank	10	35	32	13,021	2.9	225	236,856	51.8
Mortgage company	5	28	38	36,077	7.9	103	58,131	12.7
Insurance company	26	10	127	125,322	27.4	12	8,469	1.8
Savings bank	38	9	288	234,450	51.3	31	26,380	5.8
Savings and loan association	----	6	----	----	----	8	5,336	1.2
Federal agency	2	2	2	4,958	1.1	16	3,948	.9
All other	10	3	46	31,635	6.9	13	6,791	1.5
Total	98	136	548	456,742	100.0	548	456,742	100.0
Sec. 803								
National bank	1	13	1	$4,129	3.0	34	$100,475	71.5
State bank	1	5	1	85	.1	10	31,161	22.2
Mortgage company	----	2	----	----	----	2	1,535	1.1
Insurance company	5	1	24	69,611	49.5	1	3,645	2.6
Savings bank	9	----	11	20,543	21.0	----	----	----
Federal agency	1	1	1	1,865	1.3	1	1,865	1.3
All other	2	1	11	35,313	25.1	1	1,865	1.3
Total	19	23	49	140,546	100.0	49	140,546	100.0
Sec. 908								
National bank	1	----	2	$508	10.4	----	----	----
State bank	1	1	3	1,569	32.1	2	$508	10.4
Mortgage company	----	5	----	----	----	9	4,381	89.6
Savings bank	1	----	1	1,181	24.1	----	----	----
Federal agency	1	----	5	1,632	33.4	----	----	----
Total	4	6	11	4,889	100.0	11	4,889	100.0

[1] Total includes Sec. 611 mortgage for $820,200 purchased by a State bank from a title company.

less than in 1951. Approximately 69 percent of the dollar volume transferred was in Section 608 mortgages and about 21 percent under Section 803. The remaining transfers were about evenly divided between Sections 207 and 213.

Savings banks were the largest buyers of project mortgages during the year, accounting for 47 percent of the dollar volume transferred, followed by insurance companies with 30 percent of the total (Table 47). The relative purchases of both these types of institutions increased over the 42 percent for savings banks and 24 percent for insurance companies reported in 1951. Almost one-eighth of the dollar volume of project mortgages transferred in 1952 was purchased by miscellaneous types of institutions such as the Comptroller of the State of New York and various retirement and pension fund systems.

State and national banks together purchased only about 5 percent of the dollar volume of all project mortgages transferred. These institutions, which were large originators, were the largest sellers of project mortgages in 1952 (Table 47). State banks sold 45 percent of the total amount of mortgages transferred, national banks sold 35 percent, and mortgage companies, third in rank, sold 11 percent of the total. These 3 types of institutions combined accounted for more than 90 percent of all project-mortgage sales in both 1951 and 1952. Compared with 1951, however, State banks sold a smaller relative share (54 percent in 1951), while national banks sold a larger share (only 26 percent the previous year).

With respect to purchases and sales of mortgages insured under the different programs, savings banks were the largest purchasers of mortgages insured under Sections 207, 213, and 608; but under Section 803, insurance companies led all other types of institutions by a substantial margin. The Federal National Mortgage Association was the leading purchaser of Section 908 defense housing mortgages. Although the one-third participation of the FNMA under this section involved the actual purchase through the year end of only 5 mortgages with original face amounts aggregating $1.6 million, support of the Section 908 program by FNMA has been noteworthy. About $3 out of every $4 of Section 908 FHA commitments issued were covered, as of December 31, 1952, either by FNMA purchases or by FNMA contracts to purchase.

The leading sellers of project mortgages under Sections 207 and 803 were national banks; under Sections 213 and 608, State banks; and under Section 908, mortgage companies.

Characteristics of Projects

The following pages are devoted to an analysis of characteristics of the projects and project mortgages covered by FHA commitments

TABLE 48.—*Characteristics of mortgages and projects in project transactions, 1952*

Program	Predominant type of structure—percent distribution of units				Size of project (units)		Median			
	Walk-up	Elevator	1-family [1]	Total	Median	Average	Size of units (rooms) [2, 4]	Monthly rental per unit [2]	Mortgage per unit [2, 3]	Ratio of mortgage to replacement cost
Rental housing	39.4	4.4	56.2	100.0	87.5	154.8	4.8	$75.38	$7,346	88.0
Sec. 207	59.2	24.0	16.8	100.0	34.5	68.2	4.3	81.15	6,554	79.6
Sec. 803	26.4	------	73.6	100.0	340.0	313.4	5.1	72.50	7,768	88.5
Sec. 908	66.7	------	33.3	100.0	76.0	100.4	4.4	82.13	6,718	87.9
Cooperative housing—Sec. 213	14.0	45.8	40.2	100.0	160.0	155.4	5.6	[5] 77.73	8,550	85.8
Management-type	22.0	72.0	6.0	100.0	124.0	140.8	4.7	[5] 86.93	8,547	84.3
Sales-type	------	------	100.0	100.0	189.5	189.8	6.0	[5] 68.82	9,492	86.7
All new project housing	34.5	12.3	53.2	100.0	100.0	154.9	4.8	76.07	7,729	87.2

The following footnotes apply to this and to all subsequent tables in this section of the report.
[1] One-family structures include row, semidetached, and detached structures.
[2] Tables covering size of units, monthly rental, and amount of mortgage do not include data for projects in Alaska covered by commitments issued under the Alaska Housing Act.
[3] Amount of mortgage allocable to dwelling use.
[4] In determining the number of rooms per unit, baths, closets, halls, and similar spaces were excluded.
[5] Data on monthly rental for units in cooperative projects refer to monthly charges. Monthly charges include, in management-type projects, member's pro rata share of estimated monthly debt service and project operating and maintenance costs; and, in sales-type projects, estimated total monthly mortgage payment (including real estate taxes, FHA mortgage premiums, and hazard insurance premiums) of purchaser-member.

issued in 1952. Data pertaining to rental housing are based on new-construction commitments issued under Sections 207, 803, and 908; and data pertaining to cooperative housing are based on new-construction commitments issued under the Section 213 management-type and sales-type programs. Since the number of commitments issued under other project programs was negligible, they were omitted from all tables on project characteristics. Because special provisions are available for Alaska housing projects, these projects also are excluded from tabulations of mortgage and rentals.

In 1952, for the second consecutive year, 53 percent of the dwelling units covered by commitments issued under the project mortgage provisions of the National Housing Act were in single-family structures. This percentage—the highest in FHA history—reflects the predominance during the year of Section 803 military housing commitments, about three-fourths of which involved single-family homes. Table 48 shows that the typical project in 1952 contained 100 dwelling units. The typical unit had 4.8 rooms, rented for $76.07, and secured $7,729 of mortgage amount. The median ratio of mortgage to replacement cost was 87.2 percent.

Yearly trend.—Table 49 and Chart 19 show the trend of selected rental housing characteristics from 1935 through 1952. Section 213 cooperative projects are excluded from this summary.

The proportion of the projects classified as elevator structures decreased in 1952 for the second consecutive year, while the percentage classified as single-family and walk-up projects increased—single-family projects for the fourth consecutive year and walk-up structures for the first time since 1947. (Classification was based on the predominant type of structure.) The same general changes occurred in the distribution of units by type of structure (lower part of Table 49 and two lower graphs in Chart 19).

TABLE 49.—*Characteristics of mortgages and projects in rental project transactions, 1935–52*

Year [1]	Number of units per project		Number of rooms per dwelling unit		Monthly rental		Mortgage allocable to dwelling use [2]	
	Median	Average	Median	Average	Per unit [3]	Per room [3]	Per unit	Per room
1952	87.5	154.8	4.8	4.5	$75.38	$16.77	$7,179	$1,579
1951	112.5	182.4	4.6	4.4	71.10	16.91	7,133	1,619
1950	48.6	97.6	4.2	3.9	78.87	20.06	7,140	1,835
1949	41.6	78.4	4.0	3.7	82.49	22.22	7,190	1,940
1948	22.5	51.1	4.7	4.3	87.56	20.13	7,645	1,769
1947	20.3	39.8	4.7	4.4	84.13	[4] 19.00	7,505	1,724
1942–46	41.0	75.9	4.0	3.7	56.45	15.10	4,427	1,187
1935–41	72.2	121.1	3.9	3.7	53.09	14.54	3,725	1,009

Year [1]	Percent of projects with			Percent of dwelling units in		
	Walk-up structures	Elevator structures	1-family structures	Walk-up structures	Elevator structures	1-family structures
1952	53.5	5.6	40.9	39.4	4.4	56.2
1951	49.4	10.1	40.5	35.0	12.8	52.2
1950	59.0	18.0	23.0	40.0	30.8	29.2
1949	68.8	14.0	17.2	58.2	26.7	15.1
1948	84.4	3.1	12.5	76.7	13.1	10.2
1947	85.9	1.1	13.0	83.6	2.7	13.7
1942–46	81.6	----------	18.4	79.4	----------	20.6
1935–41	82.6	9.9	7.5	79.0	14.0	7.0

[1] Based on insurance written in 1935–41 under Sec. 207, in 1942–46 under Sec. 608, and on commitments issued in 1947–49 under Sec. 608, in 1950–51 under Secs. 207, 608, 803, and in 1952 under Secs. 207, 608, 908.
[2] Data shown are arithmetic means.
[3] Data shown are medians.
[4] Estimated.

The typical rental project covered by commitments issued in 1952 contained 88 dwelling units—substantially less than the peak of 113 units established in the previous year, but well above all other postwar years. The size of the typical dwelling unit increased for the third consecutive year to a new all-time high of 4.8 rooms.

The median monthly rental per unit increased for the first time since 1948. With the increase in the number of rooms per unit, however, the average monthly rental per room continued to decline from the 1949 peak, reaching a postwar low of $16.77.

The average mortgage allocable to dwelling use increased from $7,133 per unit in 1951 to $7,179 per unit in 1952, while the average mortgage amount per room declined from $1,619 to $1,579.

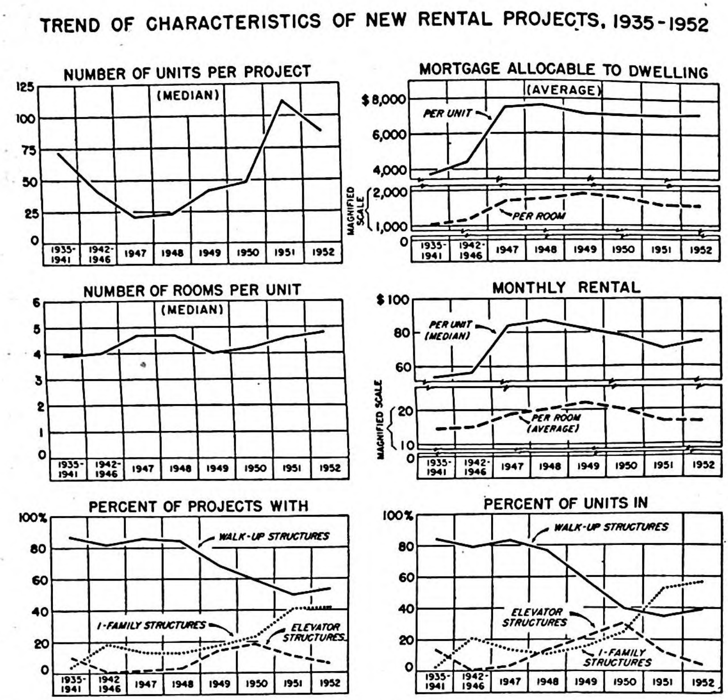

CHART 19.

Type of project.—Under all of FHA's project programs combined, the walk-up project was the most popular in 1952—almost 47 percent of the projects being of this type. As Table 50 shows, the proportion was substantially higher under the rental housing program than under the cooperative program where "walk-ups" were the least common. The second most popular type of structure—accounting for about two-fifths of both the rental and the cooperative projects—was the single-family type (either row, semidetached, or detached houses). Elevator-type projects, which represented about one-eighth of the total, made up 40 percent of the cooperative housing cases (all management-type), but only 6 percent of the rental housing cases (all under Sec. 207).

Chart 20 and the lower part of Table 50 show the distribution of dwelling units by type of structure. Although in terms of number of projects the leading type of structure in 1952 was the "walk-up," about 53 percent of all units were in 1-family structures. About 35 percent of the units were in walk-up structures and one-eighth in ele-

TABLE 50.—*Type of project by type of structure for rental and cooperative housing, 1952*

Type of project	Total rental and cooperative housing	Rental housing				Cooperative housing, Sec. 213		
		Total	Sec. 207	Sec. 803	Sec. 908	Total	Management type	Sales type
	Projects—Percentage distribution							
Walk-up structures, total	46.9	53.5	58.5	27.0	77.4	19.2	27.3	-------
1- and 2-story combined	6.5	4.5	2.4	9.5	1.9	15.0	21.3	-------
2-story	38.0	47.0	53.7	15.9	73.6	-------	-------	-------
2- and 3-story combined	1.2	1.0	2.4	-------	-------	2.1	3.0	-------
3-story	1.2	1.0	-------	1.6	1.9	2.1	3.0	-------
Elevator structures	12.3	5.6	13.4	-------	-------	40.4	57.6	-------
One-family structures, total	40.8	40.9	28.1	73.0	22.6	40.4	15.1	100.0
Row house	22.9	26.8	28.1	33.3	17.0	6.4	9.1	-------
Semidetached	7.3	8.6	-------	22.2	5.6	2.1	3.0	-------
Detached	10.6	5.5	-------	17.5	-------	31.9	3.0	100.0
All types	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Dwelling units—Percentage distribution							
Walk-up structures, total	34.5	39.4	59.2	26.4	66.7	14.0	22.0	-------
1- and 2-story combined	10.2	9.5	7.2	12.7	.2	13.0	20.4	-------
2-story	23.4	29.0	51.0	12.9	65.2	-------	-------	-------
2- and 3-story combined	.2	.2	1.0	-------	-------	.3	.5	-------
3-story	.7	.7	-------	.8	1.3	.7	1.1	-------
Elevator structures	12.3	4.4	24.0	-------	-------	45.8	72.0	-------
One-family structures, total	53.2	56.2	16.8	73.6	33.3	40.2	6.0	100.0
Row house	26.3	32.3	16.8	37.1	30.8	1.1	1.8	-------
Semidetached	12.5	15.2	-------	22.9	2.5	1.0	1.5	-------
Detached	14.4	8.7	-------	13.6	-------	38.1	2.7	100.0
All types	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

vator buildings. The concentration of units in single-family homes was particularly pronounced in the rental housing programs, where 56 percent were in this type as compared with 39 percent in "walk-ups" and less than 5 percent in elevator buildings. In the cooperative housing programs, the largest proportion—some 46 percent—were in elevator structures (all management-type projects) and 40 percent were in 1-family structures (primarily sales-type).

Walk-up structures provided the majority of units in Section 207 and Section 908 projects, while single-family units were most common in Section 803 and Section 213 sales-type projects. Units in elevator projects predominated in management-type cooperative projects under Section 213.

Size of project.—About one-half of the projects approved by FHA in 1952 contained more than 100 dwelling units each, and over one-quarter of them contained more than 200 units (Table 51 and Chart 21).

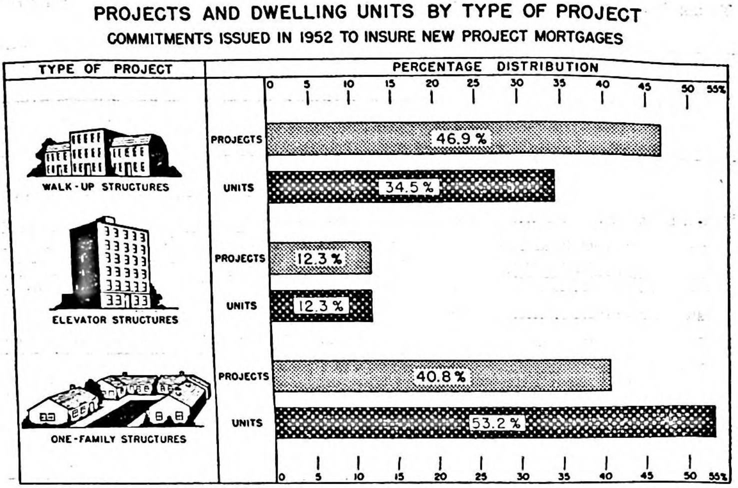

CHART 20.

The typical housing project approved for insurance in 1952 contained 100 dwelling units, the smallest project having 10 units and the largest, 644 units—both under the Section 803 military housing program. For all programs combined, rental projects were typically smaller than the cooperative projects, despite the relatively high volume of large Section 803 projects committed during the year. The median size of rental projects was 88 units, compared with 160 units for cooperative housing projects. The median size of Section 803 projects was 340 units, while Section 207 and Section 908 projects typically contained only 35 and 76 units, respectively. Among the cooperative projects, the typical sales-type project was substantially larger than the typical management-type project.

Projects of more than 100 units each contained a heavy majority of the total units, with more than half in projects of 200 units or more. As Chart 21 shows, only in the case of elevator projects were more than half the units contained in projects of less than 200 units.

Mortgage allocable to dwellings.—The typical mortgage allocable to dwellings in 1952 was $7,729 per unit—$7,346 for rental projects and $8,550 for cooperative projects (Table 52). The average mortgage per unit allocable to dwellings excludes that portion of the mortgage chargeable to garages, stores, and other non-dwelling income-producing parts of the project.

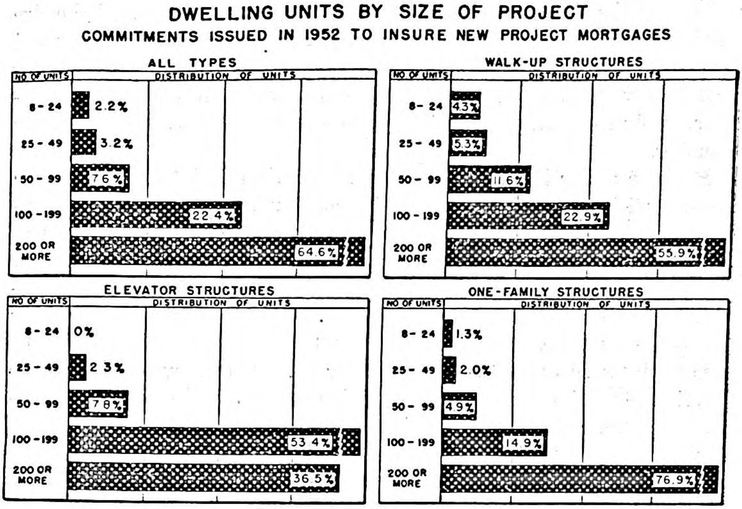

CHART 21.

TABLE 51.—*Size of project for rental and cooperative housing, 1952*

Number of dwelling units per project	Total rental and coopera-tive housing	Rental housing				Cooperative housing, Sec. 213		
		Total	Sec. 207	Sec. 803	Sec. 908	Total	Manage-ment type	Sales type
	Projects—Percentage distribution							
8 to 24	19.2	21.7	37.8	1.6	20.8	8.5	12.1	-------
25 to 49	13.5	14.1	20.7	1.6	18.9	10.6	12.1	7.1
50 to 99	16.3	16.1	17.1	9.5	22.6	17.0	18.2	14.3
100 to 149	13.5	14.1	12.2	17.5	13.2	10.6	12.1	7.1
150 to 199	10.6	6.6	3.7	6.4	11.3	27.7	24.3	35.8
200 to 299	8.2	6.6	6.1	9.5	3.8	14.9	9.1	28.6
300 to 399	6.5	6.1	2.4	7.9	9.4	8.5	12.1	-------
400 to 499	5.3	6.1	-------	19.0	-------	2.2	-------	7.1
500 or more	6.9	8.6	-------	27.0	-------	-------	-------	-------
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Median	100.0	87.5	34.5	340.0	76.0	160.0	124.0	189.5
	Dwelling units—Percentage distribution							
8 to 24	2.2	2.4	9.6	0.1	3.8	1.0	1.5	-------
25 to 49	3.2	3.3	10.5	.2	7.4	2.5	3.3	1.1
50 to 99	7.6	7.3	17.0	2.0	16.7	8.6	9.6	6.9
100 to 149	10.6	11.3	22.6	6.7	16.2	7.9	10.2	3.8
150 to 199	11.8	7.0	9.2	3.4	18.0	32.1	30.6	34.8
200 to 299	12.5	9.5	20.0	6.9	8.1	25.2	17.9	37.9
300 to 399	13.7	12.9	11.1	8.8	29.8	17.1	26.9	-------
400 to 499	14.8	17.0	-------	26.4	-------	5.6	-------	15.5
500 or more	23.6	29.3	-------	45.5	-------	-------	-------	-------
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Average	154.9	154.8	68.2	313.4	100.4	155.4	140.8	189.8

In 1952, the amount of mortgage allocable to dwellings and the size of the ratio of loan to value or to replacement cost were both affected by credit curbs. Regulation X of the Board of Governors of the Federal Reserve System and the related FHA regulations did not, however, apply to Section 803 military housing or to Section 908 defense housing.

Projects under both Section 213 and Section 207 (except for one project with 86 units programed for construction in a critical housing defense area) were subject to these regulations. The controls were in effect during only the earlier part of the year—they were eased on June 6, 1952 and removed on September 16. Almost one-third of the Section 207 projects committed during the year were approved by FHA prior to June 6, and another one-third were approved between June 6 and September 16. About two-fifths of the Section 213 units were committed prior to the June action, and one-fifth between that time and mid-September.

TABLE 52.—*Amount of mortgage allocable to dwellings for rental and cooperative housing, 1952*

Average amount of mortgage per dwelling unit [1]	Total rental and cooperative housing	Rental housing				Cooperative housing, Section 213		
		Total	Sec. 207	Sec. 803	Sec. 908	Total	Management type	Sales type
	Dwelling units—Percentage distribution							
Less than $5,000	3.3	4.1	13.5		10.1			
$5,000 to $5,999	3.1	3.8	17.0		4.9			
$6,000 to $6,499	11.2	13.9	14.1	12.4	19.1			
$6,500 to $6,999	13.6	16.7	16.5	15.8	20.0	1.0	1.6	
$7,000 to $7,499	14.6	18.2	24.2	16.0	20.2			
$7,500 to $7,999	14.8	17.3	6.5	22.3	9.9	4.4		12.2
$8,000 to $8,499	24.6	25.7	8.2	33.0	15.8	20.2	23.5	14.6
$8,500 to $8,999	8.8					45.2	66.8	7.3
$9,000 to $9,999	3.7	.3		.5		17.6	3.2	42.6
$10,000 or more	2.3					11.6	4.9	23.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Median	$7,729	$7,346	$6,554	$7,768	$6,718	$8,550	$8,547	$9,492

[1] Data based on the average unit-amount per project for all projects except Sec. 213 sales-type, the data for which are based on the estimated mortgage amounts for the individual homes.

In 1951, in addition to the credit restrictions which were in force during most of the year, there was also a legislative limitation in effect until September which restricted Section 207 mortgages to $7,200 per unit for projects in which the average unit contained less than 4½ rooms. This limitation was eased in September 1951 to $7,200 for projects containing an average of less than 4 rooms per unit. As a result of the lowered downpayment requirements, the higher maximum mortgage amounts for 4-room units, and the fact that the typical unit size remained the same (4.3 rooms), the typical unit mortgage under

Section 207 in 1952 was somewhat higher than in the previous year—$6,554 compared with $6,043. The 1952 Section 803 median was $1,200 more than the corresponding figure under Section 207.

The relaxation of credit controls had no apparent effect on the average mortgage under the Section 213 management-type program, the median in 1952 of $8,547 being approximately the same as in 1951. However, with a liberalization of controls effective September 1, 1951 for single-family houses, and with further modifications in 1952, the 14 sales-type cooperatives (2,657 units) committed in 1952 had a median unit mortgage of $9,492, or $565 more than in 1951.

Chart 22 shows the distribution of average mortgage by type of structure. The high concentration of elevator units in the $8,000 to $8,999 group reflects the fact that almost 3 out of every 4 units in elevator projects committed in 1952 were under the Section 213 management-type program where more liberal mortgage terms were in effect.

The 5 projects (about 300 units) committed in Alaska during 1952—all under Section 207—were excluded from the data in Table 52 and Chart 22. These cases were committed under the provisions of the Alaska Housing Act, which, as previously mentioned, authorized substantially larger average mortgage amounts than would otherwise be permitted. The median mortgage amount per unit for the Alaska projects in 1952 was $12,082.

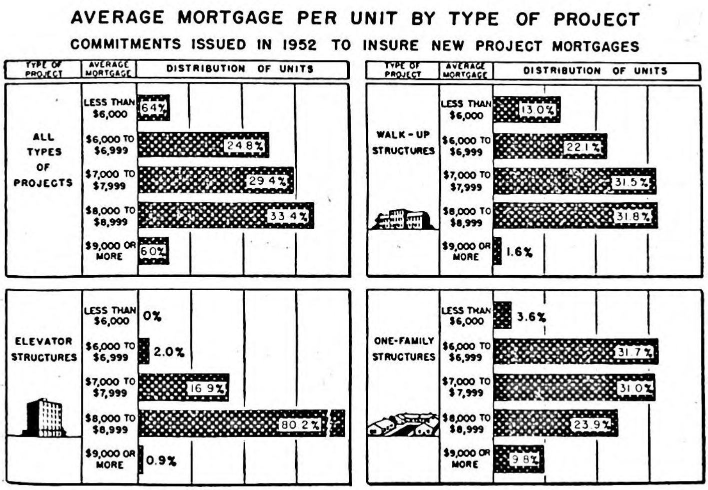

CHART 22.

TABLE 53.—*Ratio of amount of mortgage to replacement cost for rental and cooperative housing, 1952*

Mortgage as a percent of replacement cost	Total rental and cooperative housing	Rental housing				Cooperative housing, Sec. 213		
		Total	Sec. 207	Sec. 803	Sec. 908	Total	Management type	Sales type
	Dwellings units—Percentage distribution							
Less than 70	2.2	2.5	13.7	-------	0.4	0.7	1.1	-------
70 to 74.9	2.7	3.3	17.9	-------	-------	-------	-------	-------
75 to 79.9	5.8	4.9	19.3	1.7	2.0	9.4	14.9	-------
80 to 82.4	7.2	7.4	8.6	6.4	9.8	6.5	10.2	-------
82.5 to 84.9	14.5	12.5	8.6	11.7	19.4	23.1	36.3	-------
85.0 to 87.4	20.3	17.7	16.4	18.3	16.6	31.2	9.3	69.4
87.5 to 89.9	30.2	33.2	10.5	38.6	37.0	18.0	28.2	-------
90.0 [1]	17.1	18.5	5.0	23.3	14.8	11.1	-------	30.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Median	87.2	88.0	79.6	88.5	87.9	85.8	84.3	86.7

[1] Includes any veterans' cooperative projects under Sec. 213 with ratios from 90.0 to 95.0 percent.

Ratio of mortgage amount to replacement cost.—As Table 53 shows, the typical housing project committed for insurance in 1952 involved mortgage funds amounting to 87.2 percent of the estimated replacement cost of the property. For rental projects the ratio was 88.0 percent, and for cooperative projects 85.8 percent. Among the rental projects, the typical Section 207 project had the lowest loan-to-cost ratio—only 79.6 percent—followed by Section 908 with 87.9 and Section 803 with 88.5. The median loan-to-cost ratio for management-type cooperative projects was 84.3 percent, compared with 86.7 percent for sales-type projects.

The ratio of 87.2 percent for all programs combined in 1952 was somewhat higher than the 85.4 percent reported for the previous year. This increase was due primarily to the relative growth in 1952 of the programs under Sections 803 and 908, which were exempt from credit controls. The typical Section 207 loan-to-cost ratio fell from 81.1 to 79.6 percent.

The relatively low ratio of loan to replacement cost under Section 207 results from two influences: (1) the maximum mortgage amount under this section is limited by statute to a proportion of the FHA-estimated value of the project rather than replacement cost (which invariably averages higher than value); (2) maximum permitted ratios decrease as the average value per unit exceeds $7,000. In a substantial number of Section 207 projects approved in 1952, the average value was considerably higher than $7,000 per unit. This tended to offset the increases in loan-to-cost (or value) ratios expected as a result of the easing or lifting of credit controls. A distribution of mortgage amounts as a percent of value for those Section 207 projects committed in 1952 is shown below:

Mortgage as percent of value	*Percent distribution*
Less than 70.0	3.9
70.0 to 79.9	27.3
80.0 to 84.9	24.4
85.0 to 89.9	28.0
90.0	16.4
Total	100.0

The median loan-to-value ratio was 83.0 percent, or 3.4 percentage points above the typical loan-to-cost ratio. The maximum loan-to-value ratio under credit controls prior to June 6, 1952 was 83 percent of the first $7,000 per unit attributable to dwellings, plus 53 percent of the value over that amount. In June, these maximum ratios were increased to 90 percent on the first $7,000, plus 55 percent on the remainder. Effective September 16, the limits were raised to 90 percent and 60 percent, respectively.

Under Section 213—the other major project housing program subject to credit controls—the loan-to-cost ratio until September for management-type projects could not exceed 83 to 88 percent (the exact maximum depending on the proportion of veteran membership). With suspension of Regulation X in September the maximum limit was raised to 90–95 percent. For sales-type projects, the limit was also raised in June and September, in accordance with regulations applying under the home mortgage programs.

Size of dwelling unit.[10]—The typical dwelling unit covered by project mortgages committed for insurance in 1952 contained 4.8 rooms—the largest median unit in projects ever recorded for any one year in FHA history. This size of dwelling units primarily reflects the relative influence of the Section 803 military housing program and of cooperative housing under Section 213. Almost 3 of every 4 units committed under Section 803 in 1952 were single-family structures. As Table 54 shows, the median of 5.1 rooms for cooperative projects exceeded the 4.8 room median for rental projects.

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[10] Typical unit compositions are as follows:

Less than 3 rooms—Combination living and sleeping room with dining alcove and kitchen or kitchenette.

3 rooms—Living room, 1 bedroom, and kitchen, with dining space in either living room or kitchen.

3½ rooms—Living room, 1 bedroom, dining alcove, and kitchen.

4 rooms—Living room, 2 bedrooms, with dining space either in living room or in kitchen; or (less frequently) living room, 1 bedroom, dining room, and kitchen.

4½ rooms—Living room, 2 bedrooms, dining alcove, and kitchen.

5 rooms—Living room, 2 bedrooms, dining room, and kitchen; or (less frequently) living room, 3 bedrooms, and kitchen, with dining space in either living room or kitchen.

5½ rooms—Living room, 3 bedrooms, dining alcove, and kitchen.

6 rooms—Living room, 3 bedrooms, dining room, and kitchen.

TABLE 54.—*Size of dwelling units for rental and cooperative housing, 1952*

Rooms per unit	Total rental and co-operative housing	Rental housing				Cooperative housing, Sec. 213		
		Total	Sec. 207	Sec. 803	Sec. 908	Total	Management type	Sales type
	Dwelling units—Percentage distribution							
Less than 3	0.9	1.0	5.8	(1)	--------	(1)	(1)	--------
3	3.7	4.4	11.5	3.1	1.9	1.0	1.6	--------
3½	8.7	6.6	11.3	3.7	12.3	17.4	27.6	--------
4	22.3	27.5	42.6	18.7	43.3	1.1	1.8	--------
4½	21.8	20.1	17.3	16.6	35.3	28.5	45.2	--------
5	23.3	24.7	10.5	34.6	3.5	17.8	8.3	34.1
5½	5.2	4.9	.5	7.1	2.0	6.6	10.4	--------
6 or more	14.1	10.8	.5	16.2	1.7	27.6	5.1	65.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Median	4.8	4.8	4.3	5.1	4.4	5.1	4.7	6.0

[1] Less than 0.05 percent.

The program under which the smallest dwelling units were reported was Section 207, with a median of only 4.3 rooms. About one-fourth of the units approved under this section were in elevator structures, which characteristically contain smaller units. The 4.4 room median for units in Section 908 defense projects reflected a concentration of about 79 percent of the units in the 4 and 4½ room categories. Under Section 803, with a 5.1 median, only one-third of the units were in this group, while 58 percent were distributed in the higher intervals—16

SIZE OF DWELLING UNIT BY TYPE OF PROJECT

COMMITMENTS ISSUED IN 1952 TO INSURE NEW PROJECT MORTGAGES

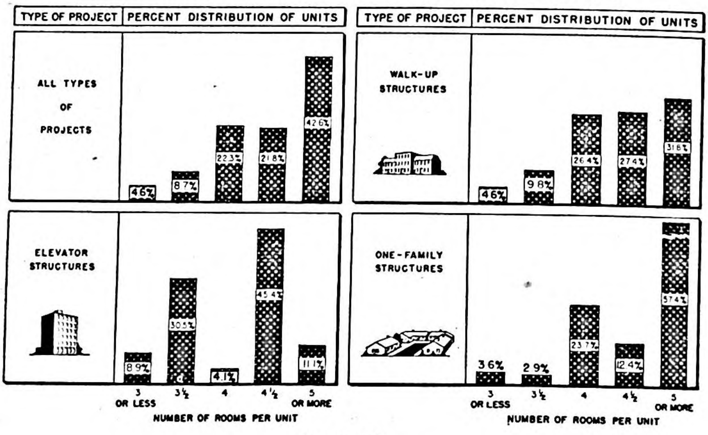

CHART 23.

percent having 6 or more rooms. The medians for the 2 types of cooperative housing programs were the same as in 1951—4.7 rooms for the management-type, where three-fourths of the dwelling units were in elevator structures, and 6.0 rooms for the sales-type, where all the units were single-family homes.

Chart 23 presents a graphic picture of size of dwelling units by type of structure. Among other things, it shows (1) that over half the units in 1-family structures contained 5 or more rooms, (2) even distribution of units in walk-up structures, and (3) the heavy concentration of units with 3½ and 4½ rooms in elevator structures.

Monthly rental or charges.—The monthly rentals or charges shown in Table 55 and Chart 24 are based on estimates made at time of commitment in connection with FHA's underwriting analysis. Generally they reflect rentals which will actually prevail when the projects are completed and occupied, although adjustments may be made as a result of changes in construction or operating costs.

With respect to cooperative projects, the data refer to the monthly charges paid by the members. In the case of management-type cooperatives, the monthly charge is each member's pro rata share of the estimated monthly amount of debt service (payment of mortgage principal, interest, and FHA insurance premium), project operating and maintenance costs (including reserves for replacements), and a general operating reserve to cover delinquent payments and vacancies. For sales-type cooperatives, the monthly charge represents the estimated total monthly mortgage payment for the houses being purchased (principal, interest, FHA insurance premium, real estate taxes, and hazard insurance).

TABLE 55.—*Monthly rental or charges for rental and cooperative housing, 1952*

Monthly rental or charges per dwelling unit	Total rental and cooperative housing	Rental housing				Cooperative housing, Sec. 213		
		Total	Sec. 207	Sec. 803	Sec. 908	Total	Management type	Sales type
	Dwelling units—Percentage distribution							
Less than $50	2.9	3.6	4.2	2.5	6.5	0.5	0.6	0.3
$50 to $59.99	8.5	10.2	4.6	13.5	4.0	1.5	2.0	.8
$60 to $69.99	26.3	25.1	30.2	28.4	8.3	31.4	10.7	66.6
$70 to $79.99	20.6	19.8	9.5	21.6	23.9	23.9	19.0	32.3
$80 to $89.99	22.0	22.3	12.5	22.0	33.2	20.3	32.1	--------
$90 to $99.99	12.4	11.6	14.0	8.3	20.9	15.7	24.9	--------
$100 to $109.99	3.9	3.6	9.2	2.2	3.2	4.9	7.8	--------
$110 to $124.99	2.3	2.4	7.9	1.5	--------	1.8	2.9	--------
$125 or more	1.1	1.4	7.9	(1)	--------	(1)	(1)	--------
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Median	$76.07	$75.38	$81.15	$72.50	$82.13	$77.73	$86.93	$68.82

[1] Less than 0.05 percent.

Except for 1951, the median monthly rental of $75.38 in 1952 was the lowest charge for a typical unit in newly committed FHA rental projects recorded since the war. Monthly charges for the typical unit in the 3-year-old cooperative housing program increased for the second consecutive year to a high of $77.73. For both types of project programs combined, the median in 1952 was $76.07. Some 38 percent of all units covered by the 1952 project commitments had rents or charges of less than $70 a month—the greatest concentrations in this category being under the Section 803 program, which had a median of $72.50, and under the sales-type cooperative program, which had a median of $68.82. Although most programs included a very small proportion of the units requiring $100 or more, one-fourth of the Section 207 projects and one-tenth of the management-type Section 213 projects were in this range. One-third of all units in 1952 were in the $80 to $99.99 interval.

As Chart 24 shows, dwelling units in elevator structures usually had higher estimated charges than units in other types of structure—77 percent being over $80 and 29 percent, $100 or more. The higher charges in elevator projects were due to higher construction costs and to the generally greater number of services, utilities, and items of equipment provided in this type of structure. In 1952, as in 1951, rents or monthly charges in all dwelling units in elevator structures included the provision of laundry facilities, heat, hot and cold water, janitor services, grounds maintenance, ranges, and refrigerators (the last

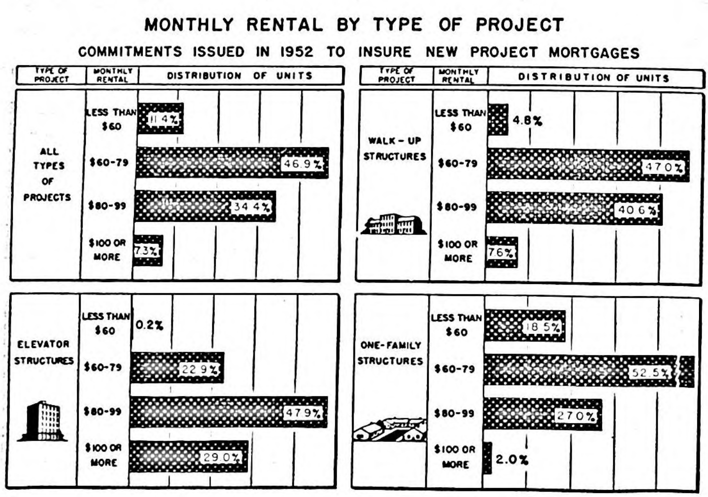

CHART 24.

two items being furnished in many Section 213 projects only upon initial occupancy, with replacements at member's expense). Gas and electricity were included in the charges in all units in elevator structures under the cooperative housing program, which accounted for almost three-fourths of all units in this type of structure.

The type of project with the next highest rentals or monthly charges were the "walk-ups," which generally provided fewer services and utilities than the elevator structures (for instance, only one-fourth of the units in walk-up projects in 1952 provided gas and electricity). Almost one-half of the units in walk-up structures had estimated rentals of $80 or more per month in 1952, while only 5 percent were in the lowest range of less than $60.

One-family structures had the lowest monthly charges per unit, with about one-fifth estimated to rent for less than $60. One factor resulting in lower rentals, of course, was the smaller number of services, items of equipment, and utilities provided (for example, only about one-fifth of the units provided cooking and lighting utilities). Another factor was the relatively high proportion of total projects of this type—almost 45 percent in terms of units—which were approved in the South and Southwest where construction costs were lower.

Excluded from Tables 54 and 55 and from Charts 23 and 24 were data pertaining to projects approved in Alaska. The number and size of units and the amount of monthly rental of the 5 projects (all under Section 207) approved in 1952 in Alaska are shown in the following table:

Size of unit	Number of units	Average monthly rental
2 rooms	5	$135.00
3 rooms	33	123.64
3½ rooms	13	125.00
4 rooms	157	150.89
4½ rooms	88	150.00
5 rooms	1	190.00

In comparison with the other tables and charts on size of unit and monthly rental, these data reflect the fact that construction and operating costs are generally higher in Alaska than in the United States. Four of the projects, containing 173 dwelling units, were 2-story walk-up structures, and the other project with 124 units was an elevator structure. The rentals of all 297 of the units approved in Alaska in 1952 covered most of the utilities, services, and items of equipment, but cooking and lighting utilities were excluded.

Characteristics by incomes of cooperative project members.—Tables 56, 57, and 58 are devoted to an analysis of selected transaction characteristics by incomes of individual members of cooperative projects approved under Section 213 during 1952.

As Table 56 shows, two-thirds of the members of management-type projects had effective monthly incomes ranging from $300 to $500.

TABLE 56.—*Transaction characteristics by income of management-type cooperative project members, 1952*

Member's effective monthly income [1]	Percentage distribution	Average: Member's monthly income	Average: Monthly charges	Average: Total monthly housing expense	Average: Number of rooms	Average: Number of bedrooms	Monthly charges as a percent of monthly income	Monthly housing expense as a percent of monthly income
Less than $300	4.8	$241.24	$67.20	$75.05	3.9	1.4	27.9	31.1
$300 to $399.99	23.0	318.57	78.85	85.78	4.2	1.6	24.8	26.9
$400 to $499.99	30.9	388.28	85.98	92.10	4.4	1.8	22.1	23.7
$500 to $599.99	21.2	469.50	89.09	95.35	4.5	1.9	19.0	20.3
$600 to $799.99	15.3	587.54	92.54	98.49	4.6	2.1	15.8	16.8
$800 or more	4.8	886.63	98.79	105.02	4.9	2.3	11.1	11.8
Total	100.0	436.48	85.70	92.10	4.4	1.9	19.6	21.1

[1] In this and subsequent tables, member's effective monthly income refers to estimated amount of member's earning capacity that is likely to prevail during approximately the first third of the mortgage term.

The average income for all members was $436 a month. Members had an estimated total monthly housing expense of $92, of which $86 represented the pro rata share of the estimated amount of monthly debt service and project operating and maintenance costs, and the remaining $6 was the estimated amount of personal benefit expenses (the cost of utilities, minor repairs, and maintenance of the member's own apartment). On the average, monthly housing expense amounted to 21 percent of member's income, ranging from about one-third in the lower income groups to less than one-eighth for members in the upper income ranges. The ratio of monthly charges to incomes similarly varied, amounting to 20 percent for all members combined. (The averages shown in Tables 56 and 57 are arithmetic means and therefore differ from medians based on the same cases mentioned in other parts of the report.)

TABLE 57.—*Transaction characteristics by income of sales-type cooperative project members, 1952*

Member's effective monthly income [1]	Percentage distribution	Average: Member's monthly income	Average: Sale price	Average: Monthly charges	Average: Total monthly housing expense	Average: Number of rooms	Average: Number of bedrooms	Monthly charges as a percent of monthly income	Monthly housing expense as a percent of monthly income	Ratio of sale price to annual income
Less than $300	9.1	$250.57	$10,115	$62.98	$76.32	5.1	2.1	25.1	30.5	3.4
$300 to $399.99	52.9	312.84	11,142	68.66	85.13	5.7	2.7	21.9	27.2	3.0
$400 to $499.99	22.8	389.41	11,435	70.56	87.84	5.8	2.8	18.1	22.6	2.4
$500 to $599.99	10.8	464.06	11,436	70.61	87.93	5.8	2.8	15.2	18.9	2.1
$600 to $799.99	3.2	573.07	11,509	71.59	88.87	5.8	2.8	12.5	15.5	1.7
$800 or more	1.2	902.24	11,593	71.44	89.03	5.9	2.9	7.9	9.9	1.1
Total	100.0	356.57	11,165	68.92	85.42	5.7	2.7	19.3	24.0	2.6

[1] In this and the following table, sale price refers to price specified in sales agreement.

With respect to sales-type projects, incomes and expenses were lower than in management-type projects, and dwelling units were larger (Table 57). While only 27 percent of the members of management-type projects had effective monthly incomes of less than $400, about 62 percent of the members of sales-type projects were in this range. Some 85 percent of the members of sales-type projects had incomes of less than $500. The average sale price of the dwelling units purchased by them was $11,200—about 2.6 times their annual income. They undertook average monthly charges of $69 (19 percent of income) and average monthly housing expenses of $85 (24 percent of income). The spread of $16.50 between the monthly charge and monthly housing expense under the sales-type program was somewhat larger than the $6.40 reported for the management-type program, since in sales-type projects the monthly payment excludes operating expense items, reserve for replacement, and general operating reserve, which are usually included in the monthly charges of management-type projects. The dwelling units which members of sales-type projects purchased—all single-family structures—contained an average of 5.7 rooms, including 2.7 bedrooms.

Sale price by monthly income groups.—A distribution of sale price per home by member's effective monthly income for sales-type Section 213 cooperative projects is shown in Table 58.

TABLE 58.—*Sale price by income of sales-type cooperative project members, 1952*

Member's effective monthly income	Percentage distribution	Median sale price	Sale price per home—Percentage distribution					
			$8,000 to $8,999	$9,000 to $9,999	$10,000 to $10,999	$11,000 to $11,999	$12,000 to $12,500	Total
Less than $300	9.1	$10,034	2.5	39.0	49.0	6.6	2.9	100.0
$300 to $399.99	52.9	11,511	.3	12.0	23.1	38.4	26.2	100.0
$400 to $499.99	22.8	11,777	--------	8.1	12.7	41.0	38.2	100.0
$500 to $599.99	10.8	11,781	--------	8.7	12.6	39.7	39.0	100.0
$600 to $799.99	3.2	11,840	--------	4.8	13.1	35.7	46.4	100.0
$800 or more	1.2	11,863	--------	--------	15.1	39.4	45.5	100.0
Total	100.0	11,612	0.4	12.8	21.5	36.2	29.1	100.0

In 1952, over 99 percent of the homes under this program had sale prices ranging from $9,000 to $12,500, with a typical sale price of $11,612. The 1952 distribution shows that the sale prices of almost two-thirds of the homes were $11,000 or more while the remaining one-third were almost entirely between $9,000 to $10,999.

Property Improvement Loan Insurance

Title I of the National Housing Act authorizes the FHA to insure qualified lending institutions against loss under two programs: Section 2, one of FHA's original and major programs, provides for the insurance of property improvement loans, while Section 8, enacted in 1950, provides for the insurance of mortgages on new single-family homes for families of low or moderate income. This part of the report is devoted to an analysis of the property improvement loan program. (An analysis of Section 8 operations was presented earlier in this report in the discussion of home mortgage insurance operations.)

Under Section 2, FHA is authorized to insure approved lending institutions against losses up to 10 percent of the aggregate amount of net proceeds advanced by each institution. Primarily small, short-term, and unsecured, these loans finance the alteration, repair, and improvement of existing properties and the construction of new structures for other than residential purposes. The general scope of operations under this program, including information on the terms, financing charges, and eligible types of improvement, was discussed in Section I of this report.

Volume of Business

Property improvement loans accounted for 27 percent of the total amount of insurance written in 1952 under all programs. This continued a steady rise from the 1949 postwar low of 15 percent in the share of FHA business attributable to this program. The 1952 insurance covered almost 1.5 million loans with net proceeds amounting to over $848 million (Table 59).[11] This is the third consecutive year in

TABLE 59.—*Property improvement loans insured and claims paid by FHA, 1934–52*

Year	Loans insured			Claims paid			Percent of claims paid to loans insured (cumulative)
	Number	Net proceeds (000)	Average	Number	Amount (000)	Average	
1934–39	2,329,648	$821,332	$353	103,390	$23.888	$231	2.91
1940–44	2,458,920	770,782	313	85,795	25.442	297	3.10
1945–49	5,151,998	2,233,205	433	122,962	41,627	330	2.38
1950	1,447,101	693,761	479	56,446	18,148	322	2.41
1951	1,437,764	707,070	492	35,579	12,086	340	2.32
1952	1,495,741	848,327	567	33,265	11,524	346	2.18
Total	14,321,172	6,074,478	424	437,437	132,716	303	----------

which a new high has been reached, with the 1952 volume exceeding the 1951 amount by $141 million. These figures are based on annual tabulations of the loans insured and do not reflect in 1952 the con-

[11] The information on property improvement loans presented in this discussion and in the accompanying tables and charts relates only to Class 1 and 2 loans as they are defined in Section I of this report. Class 3 loans (to finance the construction or purchase of small new homes) were insured under Section 2 from 1938 through 1950 and the volume of these operations was included in the statistical analyses of Title I operations contained in the annual reports for each year from 1938 through 1951. In the current report the Class 3 data have been incorporated into the analysis of home-mortgage insuring operations.

siderably larger volume of loans which approved lending institutions submitted. Early in the year it became apparent that both the volume and the average amount of these loans were larger than ever before. As a result, the amount of outstanding insurance rapidly approached the $1¼ billion limitation provided in the National Housing Act for operations under this program. By early September it became necessary to limit the insurance written under Section 2 to the amount of the amortization of outstanding loans occurring each month. At the year end the agency had a backlog of about 260,000 property improvement loans involving an estimated $175 million awaiting insurance and tabulation as authorization became available.

Chart 25 shows graphically the annual volume of loans insured and claims paid since 1934, indicating the steady increase in the volume of insurance written and the very noticeable decline in the amount of claim payments made in the years since 1950. The amount of insurance written in 1952 exceeded the 1951 figure by 20 percent and the 1950 volume by 22 percent. During the same period, claims fell 37 percent from a high of $18 million in 1950 to $11.5 million in 1952.

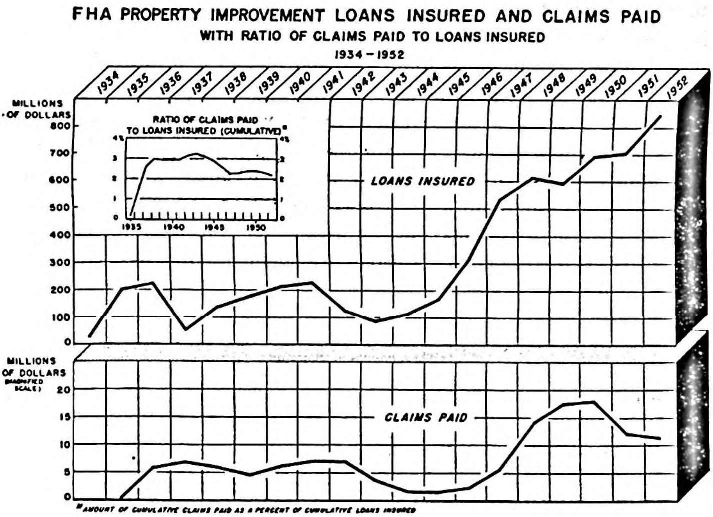

CHART 25.

Since the program was initiated in 1934, over 14 million borrowers have utilized loans with net proceeds totaling nearly $6.1 billion in modernizing their homes or other property and in building nonresidential structures. This volume represents over one-fifth of the total amount of loans and mortgages insured under all programs during the 18½ years of FHA operations. Some 437,000 of these loans (3.1 percent) have gone into default, resulting in claim payments to insured institutions of $133 million—only 2.18 percent of the total amount insured. When allowance is made for actual recoveries by FHA on these claim payments, the net claim ratio is reduced to slightly over 1.3 percent.

From a level of $2,346,000 recovered in 1947, FHA's intensified collection efforts resulted in recoveries in 1952 amounting to $7,460,000. Cash recoveries and proceeds from the disposal of real properties received by FHA in payments on defaulted loans amounted to approximately $52 million through the end of 1952—representing nearly 40 percent of the claims paid since the beginning of operations.

Defaulted loans in process of collection are expected to yield another $14 million, bringing total recoveries to over $66 million. When this amount is deducted from the claims paid through December 31, 1952, the net loss on total insurance written is only 1.1 percent. It does not represent a net cost to the Government, however, since the figure is more than offset by premiums and fees paid to FHA by insured institutions. Through these fees and premiums the Title I program has become self-supporting and has built up a cash reserve against future contingencies.

Also of interest is the relationship between the average amount of property improvement loans outstanding and the annual amount of claims paid, which is shown in Table 60. The 1952 ratio of claims paid to loans outstanding—1.0 percent—is the lowest reported for any year since 1946, reflecting the increasing consumer incomes and generally good economic conditions prevalent during the year.

TABLE 60.—*Property improvement loans outstanding and claims paid by FHA, 1934–52*

[Dollar amounts in thousands]

Year	Average face amount of loans outstanding	Annual amount of claims paid	Claims paid as percent of loans outstanding	Year	Average face amount of loans outstanding	Annual amount of claims paid	Claims paid as percent of loans outstanding
1934	$12,851			1944	$115,123	$1,670	1.5
1935	99,875	$447	0.4	1945	139,168	1,524	1.1
1936	268,081	5,885	2.2	1946	246,304	2,434	1.0
1937	233,773	6,891	2.9	1947	511,404	5,830	1.1
1938	152,351	6,016	3.9	1948	761,151	14,346	1.9
1939	218,090	4,649	2.1	1949	868,653	17,494	2.0
1940	279,445	6,115	2.2	1950	941,556	18,148	1.9
1941	330,566	7,071	2.1	1951	1,013,257	12,086	1.2
1942	282,300	6,998	2.5	1952	1,156,073	11,524	1.0
1943	159,363	3,588	2.3				

State Distribution

During 1952, properties in every State and three Territories were improved through Title I loans (Table 61 and Chart 26). The geographical distribution of these loans followed very closely the cumulative pattern established in earlier years. Two States account for almost one-quarter of the national total and seven States for slightly over half.

TABLE 61.—*Volume of FHA-insured property improvement loans by State location of property, 1952*

State	Loans insured			State	Loans insured		
	Number	Net proceeds (000)	Average		Number	Net proceeds (000)	Average
Alabama	23,299	$11,377	$488	New Hampshire	3,016	$1,578	$523
Arizona	12,382	7,423	599	New Jersey	39,077	29,998	768
Arkansas	9,495	5,732	604	New Mexico	4,640	2,976	641
California	206,260	100,189	486	New York	148,486	103,102	694
Colorado	17,173	9,226	537	North Carolina	11,700	6,585	563
Connecticut	7,999	5,024	628	North Dakota	2,559	1,514	592
Delaware	350	236	674	Ohio	81,820	44,393	543
District of Columbia	8,143	4,437	545	Oklahoma	21,594	11,990	555
Florida	33,316	20,838	625	Oregon	22,226	12,522	563
Georgia	21,452	11,444	533	Pennsylvania	61,174	34,880	570
Idaho	8,900	5,675	638	Rhode Island	3,013	1,674	556
Illinois	88,990	55,768	627	South Carolina	7,846	4,702	599
Indiana	49,311	26,830	544	South Dakota	3,051	1,969	645
Iowa	18,045	10,276	569	Tennessee	30,507	14,977	491
Kansas	15,494	8,279	534	Texas	114,360	62,286	545
Kentucky	15,431	8,358	542	Utah	17,785	10,537	592
Louisiana	15,579	9,160	588	Vermont	937	505	539
Maine	5,767	2,803	486	Virginia	23,116	12,548	543
Maryland	37,480	17,307	462	Washington	34,601	20,221	584
Massachusetts	27,839	15,773	567	West Virginia	8,061	4,962	616
Michigan	124,010	64,906	523	Wisconsin	14,357	9,510	662
Minnesota	34,313	19,223	560	Wyoming	1,101	843	765
Mississippi	8,347	4,594	550	Alaska	330	275	834
Missouri	35,932	17,913	499	Hawaii	372	295	792
Montana	3,418	2,221	650	Puerto Rico	2,472	2,573	1,041
Nebraska	7,491	4,469	597				
Nevada	1,716	1,520	886	U. S. total	1,495,741	848,327	567

NUMBER OF PROPERTY IMPROVEMENT LOANS INSURED BY FHA UNDER TITLE I, SECTION 2
DURING 1952

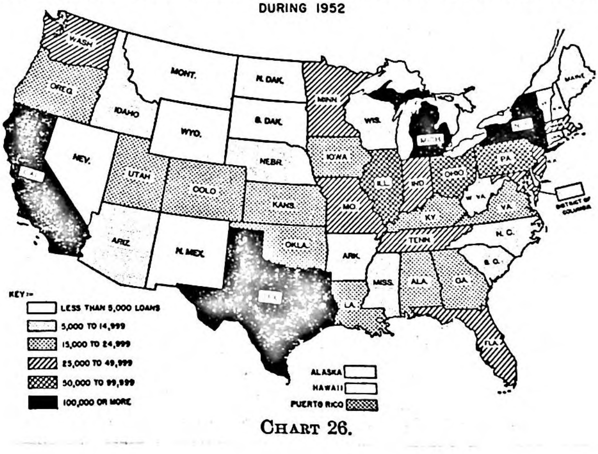

CHART 26.

Specifically, properties located in the States of New York ($103 million) and California ($100 million) account for 24 percent of the $848 million insured during 1952. When the next 5 ranking States—Michigan, Texas, Illinois, Ohio, and Pennsylvania are included, the total for the 7 States is over $465 million, or about 55 percent of the year's volume. (It should be noted that these figures pertain to the State location of property and not necessarily to the location of the financing institution.) For the 18½ year period, these same 7 States, with loans aggregating over $3.3 billion, account for 55 percent of the $6.1 billion total reported for this program. Table 62 shows that the 3 leading States (New York, California, and

TABLE 62.—*Volume of FHA-insured property improvement loans and claims paid, by State location, 1934–52*

State	Loans insured			Claims paid			Percent of claims paid to loans insured
	Number	Net proceeds (000)	Average	Number	Amount (000)	Average	
Alabama	214, 148	$74, 895	$350	7, 418	$1, 699	$229	2.27
Arizona	93, 670	44, 056	470	2, 382	937	393	2.13
Arkansas	99, 306	38, 588	389	4, 981	1, 279	257	3.31
California	1, 692, 017	643, 559	380	47, 073	15, 324	326	2.38
Colorado	112, 886	44, 713	396	2, 338	740	317	1.66
Connecticut	159, 279	70, 063	440	5, 322	1, 858	349	2.65
Delaware	14, 247	6, 322	444	566	200	353	3.16
District of Columbia	75, 876	35, 787	472	2, 892	885	306	2.47
Florida	256, 418	122, 371	477	10, 544	3, 583	340	2.93
Georgia	185, 288	71, 625	387	6, 788	1, 703	251	2.38
Idaho	78, 631	35, 992	458	2, 501	889	355	2.47
Illinois	888, 682	396, 024	446	20, 396	6, 147	302	1.55
Indiana	496, 470	185, 190	373	16, 877	4, 343	257	2.35
Iowa	198, 673	80, 055	403	5, 592	1, 733	310	2.16
Kansas	126, 864	45, 018	355	3, 822	928	243	2.06
Kentucky	151, 535	57, 178	377	4, 585	1, 201	282	2.26
Louisiana	128, 181	49, 191	384	4, 739	1, 023	216	2.08
Maine	59, 459	24, 781	417	2, 628	856	326	3.45
Maryland	276, 828	110, 923	401	7, 714	2, 161	280	1.95
Massachusetts	381, 612	160, 850	422	13, 157	4, 219	321	2.62
Michigan	1, 195, 327	475, 209	398	36, 172	10, 336	286	2.18
Minnesota	315, 387	124, 529	395	6, 829	2, 116	310	1.70
Mississippi	96, 280	37, 644	391	5, 875	1, 498	255	3.98
Missouri	367, 383	131, 454	358	11, 171	2, 878	258	2.19
Montana	36, 492	17, 527	480	1, 108	425	383	2.42
Nebraska	82, 095	33, 622	410	2, 288	701	306	2.09
Nevada	18, 433	9, 971	541	419	188	448	1.88
New Hampshire	37, 782	16, 066	425	1, 960	621	317	3.87
New Jersey	531, 687	278, 669	524	21, 801	6, 736	309	2.42
New Mexico	27, 000	14, 191	526	1, 097	307	362	2.80
New York	1, 569, 767	880, 380	561	48, 854	19, 425	398	2.21
North Carolina	123, 797	49, 136	397	4, 873	1, 271	261	2.59
North Dakota	26, 771	11, 656	435	1, 041	352	338	3.02
Ohio	857, 289	329, 338	384	22, 186	6, 609	298	2.01
Oklahoma	198, 662	75, 169	378	5, 861	1, 429	244	1.90
Oregon	188, 323	78, 586	417	5, 128	1, 572	306	2.00
Pennsylvania	818, 700	337, 220	412	26, 429	7, 430	281	2.20
Rhode Island	57, 331	24. 262	423	1, 594	486	305	2.00
South Carolina	67, 730	26, 246	388	3, 093	718	232	2.74
South Dakota	23, 980	11, 083	462	765	278	363	2.51
Tennessee	277, 725	98, 388	354	7, 889	2, 201	279	2.24
Texas	714, 302	286, 522	401	20, 964	4, 608	220	1.61
Utah	131, 776	53, 912	409	2, 977	935	314	1.73
Vermont	17, 493	7, 682	439	1, 392	513	368	6.67
Virginia	181, 587	80, 120	441	5, 098	1, 565	307	1.95
Washington	343, 417	138, 858	404	9, 283	2, 608	281	1.88
West Virginia	66, 738	30, 643	459	2, 318	840	362	2.74
Wisconsin	214, 169	91, 298	426	5, 605	1, 875	335	2.05
Wyoming	14, 070	7, 756	551	389	183	472	2.37
Alaska	755	684	906	23	8	335	1.13
Hawaii	1, 637	950	580	6	3	479	.30
Puerto Rico	26, 194	20, 155	769	350	146	416	.72
Total	14, 321, 172	6, 074, 478	424	437, 437	132, 716	303	2.18

Michigan with respective totals of $880 million, $644 million, and $475 million) have reported over 1 million loans each. The cumulative number of loans reported on California properties is somewhat larger than that for New York, reflecting the marked difference in average size of loan in the 2 States.

Since 1935, FHA has made payments to lending institutions on over 437,000 claims totaling nearly $133 million. Of these, $19.5 million in payments were on properties in New York State, over $15 million on California properties, and approximately $10 million on Michigan properties—these 3 States accounting for roughly 40 percent of the total amount of the claim payments. The next 3 States (Pennsylvania, New Jersey, and Ohio) have accounted for a combined total of nearly $21 million. Claim payments on loans involving properties in these 6 States represent about half of the $133 million cumulative total.

The ratio of claims paid to loans insured in all States averages 2.18 percent. The 6 States identified above ranged from 2.42 percent for New Jersey to 2.01 percent for Ohio, with only 2, Ohio and Michigan, having a ratio as low as the national average.

Financial Institution Activity

National banks, State chartered banks, and finance companies have financed nearly 97 percent of the dollar volume of property improvement loans insured since 1934 (Table 63). National banks have

TABLE 63.—*Origination of FHA-insured property improvement loans by type of institution, 1952 and 1934–52*

Type of institution	Loans insured			
	Number	Net proceeds (000)	Percent of net proceeds	Average net proceeds
	1952			
National bank	807,669	$442,134	52.1	$547
State chartered bank [1]	458,214	258,862	30.5	565
Finance company	130,700	87,860	10.4	672
Savings and loan association	92,505	54,083	6.4	585
Other	6,653	5,388	.6	810
Total	1,495,741	848,327	100.0	567
	1934–52			
National bank	6,439,542	$2,770,615	45.6	$430
State chartered bank [1]	4,010,459	1,774,186	29.2	442
Finance company	3,481,549	1,332,579	21.9	383
Savings and loan association	361,641	181,739	3.0	503
Other	27,981	15,359	.3	549
Total	14,321,172	6,074,478	100.0	424

[1] Includes State banks, industrial banks, and savings banks.

accounted for nearly one-half of the $6.1 billion total, while State chartered banks have reported almost one-third and finance companies slightly over one-fifth. The proportion of claims paid since 1935 to the various types of institutions, shown in Table 64, varies considerably from the distribution of loans insured. Although national banks have received the greatest amount of these claim payments, the 3.6 percent claim ratio reported for finance companies (which

TABLE 64.—*Claims paid on FHA-insured property improvement loans by type of institution, 1952 and 1935–52*

Type of institution	Claims paid			
	Number	Amount (000)	Percent of amount	Average claim
	1952			
National bank	17,272	$5,886	51.1	$341
State chartered bank [1]	9,534	3,324	28.8	349
Finance company	5,109	1,738	15.1	340
Savings and loan association	1,199	495	4.3	412
Other	151	82	.7	540
Total	33,265	11,524	100.0	346
	1935–52			
National bank	161,709	$50,193	37.8	$310
State chartered bank [1]	108,262	32,521	24.5	300
Finance company	161,976	47,744	36.0	295
Savings and loan association	4,435	1,723	1.3	389
Other	1,055	535	.4	507
Total	437,437	132,716	100.0	303

[1] Includes State banks, industrial banks, and savings banks.

have received almost as much in payments) is twice as high as the 1.8 percent shown in Chart 27 for national banks. State chartered institutions have received one-quarter of the total claims, with the residual share going to other types of institutions.

During 1952 over $4 out of every $5 of property improvement lending was done by national or State chartered banks. Finance companies ranked third, originating slightly more than 10 percent of the total. The remaining 7 percent was done by other types of institutions, particularly savings and loan associations.

Of the claims paid in 1952, more than one-half of the total amount was paid to national banks and about one-fourth to State chartered institutions. Finance companies received only 15 percent of the total, as compared with 36 percent of the cumulative amount of claims paid through the year end. It should be noted that claims paid in 1952 do not relate to loans insured during the year, but rather to the total volume of insured loans outstanding, which includes loans insured over the past several years.

TYPES OF INSTITUTIONS ORIGINATING PROPERTY IMPROVEMENT LOANS AND RECEIVING CLAIM PAYMENTS

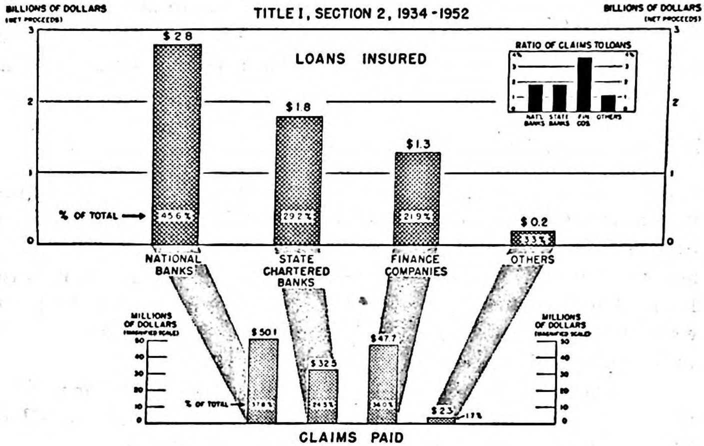

CHART 27.

At the end of 1952, 4,382 institutions were active under this program, representing an increase of almost 10 percent over December 31, 1951. In the last several years there have been indications of increased branch office activity, enabling more borrowers to be easily accommodated. At the end of 1952 there were 2,484 branch offices of active financial institutions—continuing the annual 4 percent increase which has marked each of the last few years.

The distributions by type of institution of the net proceeds of property improvement loans insured in selected years since 1940 are shown in Table 65. National and State chartered banks combined increased

TABLE 65.—*Origination of FHA-insured property improvement loans by type of institution, selected years*

Type of institution	1952	1951	1950	1946	1940
	Net proceeds—Percentage distribution				
National bank	52.1	52.7	52.7	41.3	25.3
State chartered bank	30.5	31.8	32.1	24.9	31.6
Finance company	10.4	9.0	10.2	33.1	40.5
Savings and loan association	6.4	5.5	4.7	.7	1.4
Other	.6	.4	.3		1.2
Total	100.0	100.0	100.0	100.0	100.0

their share from 57 percent of the total amount insured in 1940 to a peak of 85 percent in 1950, declining moderately to 83 percent in 1952. During the same period savings and loan associations have increased their relative share of the total almost five times. These marked increases reflect not only an increased volume of insured lending by banks and savings and loan associations, but also an apparent withdrawal of finance companies from the FHA-insured plan. Their share declined from 40 percent of the total in 1940 to about 10 percent in 1952.

Loan Characteristics

In 1952, the typical FHA-insured property improvement loan involved net proceeds to the borrower of $400. This loan was amortized over 36 months, with monthly payments to principal and interest amounting to $12.78. The net proceeds were most frequently used to finance the modernization or repair of single-family homes, the most common types of improvements being insulation, interior and exterior finish, and additions and alterations.

Size of loan.—As mentioned in the preceding paragraph, the median property improvement loan insured by FHA in 1952 amounted to $400—an increase of $67, or 20 percent, over the $333 reported in 1951. There was a corresponding rise in the average loan—from $492 in 1951 to $567 in 1952 (Table 66). The median size of loan has increased

TABLE 66.—*Amount of property improvement loans, selected years*

Net proceeds of individual loan	Number of loans					Net proceeds [1]				
	1952	1951	1950	1946	1940	1952	1951	1950	1946	1940
	Percentage distribution									
Less than $100	2.1	2.9	2.5	3.6	5.4	0.3	0.5	0.4	0.6	1.0
$100 to $199	14.4	21.2	18.7	19.1	24.7	3.9	8.9	6.4	6.3	8.7
$200 to $299	18.0	20.4	20.5	22.9	23.0	7.8	10.1	11.3	12.5	13.4
$300 to $399	15.5	16.8	15.4	15.9	14.2	9.4	11.5	10.9	12.1	11.6
$400 to $499	10.0	7.6	9.6	11.3	9.8	7.8	6.7	8.8	11.1	10.4
$500 to $599	8.4	5.9	8.0	7.8	7.5	7.9	6.3	8.8	9.6	9.9
$600 to $799	10.5	9.1	9.1	7.2	5.8	12.7	12.6	13.0	11.0	9.4
$800 to $999	6.5	5.5	5.0	4.2	3.1	10.1	9.8	9.2	8.2	6.4
$1,000 to $1,499	8.1	6.1	7.1	4.8	3.1	16.5	14.4	13.3	12.5	8.8
$1,500 to $1,999	3.1	2.2	2.0	1.4	.9	9.0	7.3	6.8	5.3	3.9
$2,000 to $2,499	1.5	1.1	1.0	.7	.6	5.7	4.7	4.2	3.5	3.0
$2,500 to $2,999	1.6	1.1	1.0	1.0	1.2	7.2	5.8	5.2	6.5	7.7
$3,000 to $3,999	.2	.1	.1	.1	.7	.9	.7	.9	.5	5.8
$4,000 to $4,999	.1	(2)	(2)	(2)	--------	.4	.3	.4	.1	--------
$5,000 or more	(2)	(2)	(2)	(2)	--------	.4	.4	.4	.2	--------
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Median	$400	$333	$354	$328	$287	--------	--------	--------	--------	--------
Average	567	492	478	454	417	--------	--------	--------	--------	--------

[1] Data for 1950–1952 are based on net proceeds; data for earlier years are based on face amount.
[2] Less than 0.05 percent.

each year during the postwar period, with the exception of 1951 when credit restrictions requiring 10 percent down payments and terms of 30 months or less were in effect.

The great majority of the loans insured in 1952 financed the modernization or repair of single-family homes—loans for this purpose accounting for over 88 percent of the number and for about 81 percent of the aggregate net proceeds. The typical loan for work on this type of structure was $381, slightly lower than the over-all median which reflects the much larger loans required to finance work on other types of property (Table 70). As would be expected, the largest loans were used for such improvements as the construction of new nonresidential buildings, and additions and alterations. Table 71 shows that insulation, the most frequently reported type of improvement, involved the smallest loans—typically about $289.

Duration of loan.—The median term of the loans insured in 1952 was 36 months—the same as throughout the postwar period, except for 1951 when Regulation W of the Federal Reserve Board limited the duration of most modernization loans to 30 months (Table 67). In 1952, 2 out of every 3 loans had a maturity of 36 months. These 3-year notes accounted for four-fifths of the total net proceeds insured during the year. Less than 1 percent of the loans involved maturities in excess of 36 months.

TABLE 67.—*Term of property improvement loans, selected years*

Term in months		Number of loans					Net proceeds [1]				
Modal term	Interval	1952	1951	1950	1946	1940	1952	1951	1950	1946	1940
		Percentage distribution									
6	6 to 8	0.9	1.0	0.8	1.3	0.5	0.4	0.5	0.5	0.7	0.3
12	9 to 14	9.6	10.7	10.1	16.9	12.4	4.3	5.0	4.9	8.7	5.1
18	15 to 20	6.9	6.9	6.0	8.4	8.8	3.7	3.8	3.4	5.3	4.3
24	21 to 26	9.1	9.5	10.2	12.3	13.3	6.1	6.8	7.1	9.5	8.6
30	27 to 32	5.3	43.4	9.8	2.3	4.1	4.0	46.3	9.8	1.6	2.6
36	33 to 41	67.9	28.2	62.5	58.6	59.8	79.8	35.7	71.1	73.0	71.6
48	42 to 53	(2)	(2)	(2)	(2)	(2)	(2)	.1	.1	(2)	(2)
60	54 to 63	.2	.2	.4	(3)	(3)	1.0	1.1	1.7	(3)	(3)
	Over 63	.1	.1	.2	.2	1.1	.7	.7	1.4	1.2	7.5
Total		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Median		36.3	30.6	36.4	36.0	35.4					
Average		30.9	28.3	30.7	28.8	31.8					

[1] Data for 1950–52 are based on net proceeds; data for earlier years are based on face amount.
[2] Less than 0.05 percent.
[3] Included in "over 63 months."

Type of property and improvement.—Table 68 shows the distributions of the number and net proceeds of loans insured during 1952 by type of property and (also shown graphically in Chart 28) by the major types of improvements financed. Loans to repair single-

TABLE 68.—*Type of improvement by type of property for property improvement loans, 1952*

Major type of improvement	Type of property improved					
	Total	Single-family dwellings	Multi-family dwellings	Commercial and industrial	Farm homes and buildings	Garages and other
	Number of loans—Percentage distribution					
Additions and alterations	12.8	12.7	12.1	20.0	11.3	15.6
Exterior finish	14.5	14.8	16.9	5.9	14.0	2.0
Interior finish	7.3	7.1	11.1	13.6	3.3	1.5
Roofing	6.6	6.4	9.4	6.0	10.7	1.6
Plumbing	10.3	10.5	9.3	6.7	14.2	1.2
Heating	13.7	13.3	22.1	19.6	9.7	3.1
Insulation	18.5	19.8	11.9	4.4	11.1	1.5
New nonresidential construction	1.9	----------	----------	8.1	18.0	70.8
Miscellaneous	14.4	15.4	7.2	15.7	7.7	2.7
Total	100.0	100.0	100.0	100.0	100.0	100.0
Percent of total	100.0	88.1	6.6	1.3	2.0	2.0
	Net proceeds—Percentage distribution					
Additions and alterations	20.3	16.5	2.1	.8	.5	.4
Exterior finish	18.4	15.6	2.1	.2	.4	.1
Interior finish	8.5	6.6	1.2	.5	.1	.1
Roofing	5.2	4.3	.6	.1	.2	(1)
Plumbing	8.5	7.1	.9	.2	.3	(1)
Heating	14.0	10.8	2.4	.5	.2	.1
Insulation	11.0	10.1	.7	.1	.1	(1)
New nonresidential construction	3.1	----------	----------	.3	.9	1.9
Miscellaneous	11.0	9.6	.7	.4	.2	.1
Total	100.0	80.6	10.7	3.1	2.9	2.7
	Net proceeds—Average					
Additions and alterations	$892	$828	$1,502	$1,663	$1,166	$751
Exterior finish	713	678	1,034	1,161	865	1,106
Interior finish	657	596	939	1,525	787	1,059
Roofing	438	417	534	849	548	501
Plumbing	467	433	786	1,093	638	1,195
Heating	576	520	907	1,123	578	1,072
Insulation	333	325	492	627	334	472
New nonresidential construction	940	----------	----------	1,840	1,342	768
Miscellaneous	430	398	897	1,197	620	827
Total	567	515	908	1,317	811	784

[1] Less than 0.05 percent.

family homes were by far the most prevalent, accounting for over four-fifths of both the number of loans and the amount of net proceeds. Improvements to multifamily properties accounted for the bulk of the remaining loans, being reported for almost 7 percent of the number and about 11 percent of the aggregate amount.

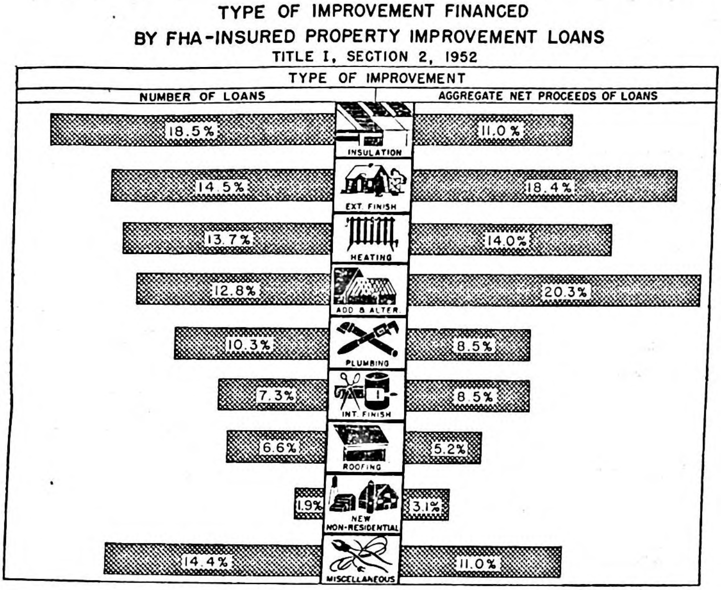

CHART 28.

With respect to type of improvement, insulation was the most popular, comprising 18.5 percent of the total number, but—due to the relatively small size of these loans—only 11 percent of net proceeds. Exterior finish, and additions and alterations, two of the more expensive types of improvements, jointly accounted for almost 40 percent of the dollar volume, while making up only about 27 percent of the number of loans. It should be noted that these distributions are based on information concerning only the major type of improvement. For example, a loan reported as financing additions and alterations might also include minor expenses involving heating, plumbing, or insulation. Similar distributions are shown in Table 69 for claims paid during 1952. A comparison of the two tables indicates only a slight variance between the distributions for loans and those for claims. While insulation is the most frequently reported type of improvement, loans for financing exterior finish (siding, painting etc.) are most frequently reported in default and account for the largest proportion of the total amount of claims paid. As was previously noted, the majority of claims paid in any year involve defaulted notes which were insured in prior years.

TABLE 69.—*Type of improvement by type of property for claims paid on property improvement loans, 1952*

Major type of improvement	Total	Single-family dwellings	Multi-family dwellings	Commercial and industrial	Farm homes and buildings	Garages and other
	Number of claims paid—Percentage distribution					
Additions and alterations	9.8	9.5	12.1	16.4	7.6	12.6
Exterior finish	18.8	19.4	18.1	4.7	18.9	4.3
Interior finish	6.6	6.3	8.9	16.2	3.1	2.3
Roofing	8.2	8.1	9.4	5.6	13.3	4.0
Plumbing	10.8	10.9	9.9	9.5	14.5	4.0
Heating	15.8	15.2	24.2	23.5	11.3	5.6
Insulation	17.4	18.6	10.3	3.3	13.8	2.0
New nonresidential construction	1.1			7.0	11.8	60.2
Miscellaneous	11.5	12.0	7.1	13.8	5.7	5.0
Total	100.0	100.0	100.0	100.0	100.0	100.0
Percent of total	100.0	87.3	6.4	2.4	3.0	.9
	Amount of claims paid—Percentage distribution					
Additions and alterations	16.5	13.3	1.6	.9	.5	.2
Exterior finish	23.6	20.3	2.2	.2	.8	.1
Interior finish	7.5	5.6	.8	.9	.1	.1
Roofing	6.5	5.4	.5	.2	.4	(1)
Plumbing	9.6	7.8	.7	.5	.6	(1)
Heating	14.3	10.6	2.2	1.1	.3	.1
Insulation	10.1	9.2	.5	.1	.3	(1)
New nonresidential construction	2.2			.5	1.0	.7
Miscellaneous	9.7	8.1	.7	.7	.2	(1)
Total	100.0	80.3	9.2	5.1	4.2	1.2
	Claim paid—Average					
Additions and alterations	$584	$560	$712	$814	$662	$540
Exterior finish	434	415	665	513	509	387
Interior finish	394	350	505	806	450	986
Roofing	273	263	295	471	339	360
Plumbing	308	285	387	712	471	447
Heating	315	278	492	656	309	643
Insulation	200	195	270	555	211	438
New nonresidential construction	730			1,119	1,015	424
Miscellaneous	292	266	502	715	447	484
Total	346	319	500	732	483	464

[1] Less than 0.05 percent.

Table 70 presents distributions of amount of loan by type of property. The largest insured loans—typically over $1,200—were made to finance repairs and modernization of commercial and industrial properties. More than one-fifth of these loans were for $2,500 or more. The loans to finance improvements to single-family homes were much smaller, with about half amounting to less than $400.

Similar distributions of the amount of loan by type of improvement are included in Table 71, which shows that the frequently reported loans to finance insulation work tend to be concentrated in the lower part of the amount scale. Roughly three-quarters of the notes made for this purpose involved less than $400.

TABLE 70.—*Amount of property improvement loans by type of property, 1952*

Net proceeds of individual loan	Total	Type of property improved				
		Single-family dwellings	Multi-family dwellings	Commercial and industrial	Farm homes and buildings	Garages and other
	Number of loans—Percentage distribution					
Less than $100	2.1	2.2	0.9	0.3	0.9	0.8
$100 to $199	14.4	15.4	7.6	4.9	8.1	3.5
$200 to $299	18.0	19.2	10.7	6.4	12.1	5.5
$300 to $399	15.5	16.3	11.0	6.6	12.4	8.5
$400 to $499	10.0	10.2	7.9	5.7	9.5	10.7
$500 to $599	8.4	8.4	8.5	5.6	8.0	12.4
$600 to $799	10.5	10.2	11.7	7.2	10.6	20.7
$800 to $999	6.5	6.1	8.8	6.9	8.5	13.9
$1,000 to $1,499	8.1	7.2	14.7	14.7	14.1	14.8
$1,500 to $1,999	3.1	2.6	6.9	10.0	6.7	4.1
$2,000 to $2,499	1.5	1.2	3.5	9.4	4.2	2.4
$2,500 to $2,999	1.6	1.0	5.1	20.6	4.2	2.6
$3,000 to $3,999	.2		1.5	1.7	0.7	0.1
$4,000 to $4,999	.1		.7			
$5,000 or more	(1)		.5			
Total	100.0	100.0	100.0	100.0	100.0	100.0
Median	$400	$381	$659	$1,219	$589	$683
Average	$567	$515	$908	$1,317	$811	$784

1 Less than 0.05 percent.

Information on the duration of property improvement loans by type of property is presented in Table 72. It was mentioned earlier in this report that the typical loan insured in 1952 had a term of 36 months. Loans with that maturity accounted for two-thirds or more of all loans insured during 1952, regardless of the type of property to be improved. Similar distributions (Table 73) of duration by type of improvement also indicate that 36-month notes were by far the most common type in 1952, irrespective of the type of improvement being financed. The distributions by type of improvement for all loans insured under the 1947 Reserve (from July 1, 1947, through March 1, 1950) and of all claims paid on these loans through the end of 1952 are shown in Table 74 and Chart 29. These tables constitute a summary of the insurance and claim experience by type of property and type of improvement under this reserve. The number and amount of claims paid on loans financing the various types of improvement are generally in close agreement with the corresponding volume of loans insured. It is notable, however, that the 12 percent of the loans made to finance exterior finish jobs have accounted for 18 percent of the total claims paid under this reserve. Likewise it may be pointed out that loans made to finance the installation of heating equipment or insulation have resulted in less than their proportionate share of claims. A comparison of Tables 69 and 74 indicates that the claims reported for the year 1952 by type of improvement are generally in line with the pattern established over the longer period from 1947 to 1952.

TABLE 71.—*Amount of property improvement loans by type of improvement, 1952*

Net proceeds of individual loan	Total	Major type of improvement: Additions and alterations	Exterior finish	Interior finish	Roofing
	Number of loans—Percentage distribution				
Less than $100	2.1	0.7	0.7	2.3	1.7
$100 to $199	14.4	5.4	4.1	12.6	17.2
$200 to $299	18.0	8.1	8.0	13.9	24.8
$300 to $399	15.5	9.9	11.4	13.4	19.4
$400 to $499	10.0	8.3	11.4	8.9	10.9
$500 to $599	8.4	10.5	12.2	9.7	6.9
$600 to $799	10.5	13.3	19.3	11.0	7.3
$800 to $999	6.5	9.4	12.9	6.6	3.8
$1,000 to $1,499	8.1	15.8	13.4	11.0	5.1
$1,500 to $1,999	3.1	8.3	4.1	4.9	1.7
$2,000 to $2,499	1.5	4.6	1.4	2.3	.7
$2,500 to $2,999	1.6	5.0	1.0	3.1	.5
$3,000 to $3,999	.2	.4	.1	.1	(1)
$4,000 to $4,999	.1	.2	(1)	.1	----------
$5,000 or more	(1)	.1	----------	.1	(1)
Total	100.0	100.0	100.0	100.0	100.0
Median	$400	$708	$623	$487	$333
Average	$567	$892	$713	$657	$438

Net proceeds of individual loan	Major type of improvement (continued): Plumbing	Heating	Insulation	New nonresidential construction	Miscellaneous
	Number of loans—Percentage distribution				
Less than $100	2.7	1.0	3.6	0.1	3.5
$100 to $199	19.0	12.2	22.6	2.3	22.2
$200 to $299	23.0	16.0	26.6	3.8	25.1
$300 to $399	17.7	14.5	21.1	7.3	17.4
$400 to $499	7.7	10.3	12.3	9.3	8.8
$500 to $599	7.0	9.7	5.7	10.5	5.7
$600 to $799	8.2	14.1	4.4	19.7	5.4
$800 to $999	4.7	8.9	1.6	13.8	3.1
$1,000 to $1,499	5.5	8.6	1.4	16.9	4.4
$1,500 to $1,999	2.2	2.4	.4	6.4	1.7
$2,000 to $2,499	1.1	1.0	.2	3.9	1.1
$2,500 to $2,999	1.2	.9	.1	4.0	1.5
$3,000 to $3,999	(1)	.2	(1)	2.0	.1
$4,000 to $4,999	(1)	.1	(1)	----------	(1)
$5,000 or more	(1)	.1	----------	----------	(1)
Total	100.0	100.0	100.0	100.0	100.0
Median	$330	$461	$289	$770	$297
Average	$467	$576	$333	$940	$430

[1] Less than 0.05 percent.

TABLE 72.—*Term of property improvement loans by type of property, 1952*

Term in months		Total	Type of property improved				
Modal term	Interval		Single-family dwellings	Multi-family dwellings	Commercial and industrial	Farm homes and buildings	Garages and other
		Number of loans—Percentage distribution					
6	3 to 8	0.9	0.9	1.4	0.8	1.3	0.9
12	9 to 14	9.6	9.8	9.0	10.8	8.8	5.4
18	15 to 20	6.9	7.0	6.4	7.6	5.3	4.4
24	21 to 26	9.1	9.1	9.2	10.7	8.5	6.4
30	27 to 32	5.3	5.4	4.2	4.7	8.0	2.9
36	33 to 41	67.9	67.8	65.2	65.4	67.2	80.0
48	42 to 53	(1)		.1		.2	
60	54 to 63	.2		2.9		.6	
	Over 63	.1		1.6		.1	
Total		100.0	100.0	100.0	100.0	100.0	100.0
Median		36.3	36.3	36.3	36.2	36.3	36.5
Average		30.9	30.8	32.4	30.3	31.3	32.9

[1] Less than 0.05 percent.

DISTRIBUTION OF NUMBER OF LOANS INSURED AND CLAIMS PAID BY TYPE OF IMPROVEMENT

TITLE I, SECTION 2, 1947 RESERVE

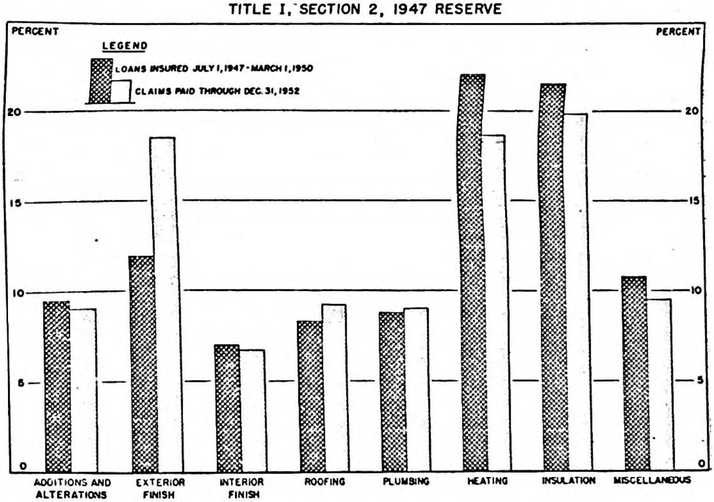

CHART 29.

TABLE 73.—*Term of property improvement loans by type of improvement, insured by FHA during 1952*

Term in months: Modal term	Term in months: Interval	Total	Major type of improvement: Additions and alterations	Exterior finish	Interior finish	Roofing
		Number of loans—Percentage distribution				
6	6 to 8	0.9	0.4	0.3	0.7	1.3
12	9 to 14	9.6	6.7	5.7	13.4	11.5
18	15 to 20	6.9	5.9	3.8	9.8	8.5
24	21 to 26	9.1	8.3	6.0	11.4	11.5
30	27 to 32	5.3	4.3	2.8	5.1	5.3
36	33 to 41	67.9	73.4	80.8	59.2	61.8
48	42 to 53	(1)	(1)	(1)	(1)	----
60	54 to 63	.2	.6	.4	.3	(1)
	Over 63	.1	.4	.2	.1	.1
Total		100.0	100.0	100.0	100.0	100.0
Median		36.3	36.3	36.4	36.2	36.2
Average		30.9	32.3	33.2	29.3	29.7

Term in months: Modal term	Term in months: Interval	Major type of improvement (continued): Plumbing	Heating	Insulation	New nonresidential construction	Miscellaneous
		Number of loans—Percentage distribution				
6	6 to 8	0.8	0.6	2.1	0.8	0.9
12	9 to 14	10.9	8.7	10.6	4.8	12.6
18	15 to 20	8.7	6.4	6.5	3.1	8.7
24	21 to 26	9.8	10.3	8.3	5.5	10.5
30	27 to 32	5.4	6.4	6.8	3.7	6.0
36	33 to 41	64.3	67.2	65.7	81.3	61.2
48	42 to 53	----	(1)	----	.2	(1)
60	54 to 63	.1	.3	(1)	.5	.1
	Over 63	(1)	.1	(1)	.1	(1)
Total		100.0	100.0	100.0	100.0	100.0
Median		36.2	36.3	36.3	36.5	36.2
Average		30.1	31.1	30.3	33.6	29.6

[1] Less than 0.05 percent.

TABLE 74.—*Type of improvement for loans insured and claims paid, 1947 Reserve*[1]

Major type of improvement	Percentage distribution of number		Percentage distribution of amount		Average amount	
	Loans insured	Claims paid	Loans insured	Claims paid	Loans insured	Claims paid
Additions and alterations	9.5	9.0	15.6	14.7	$763	$587
Exterior finish	11.9	18.4	14.7	21.9	579	428
Interior finish	7.0	6.6	7.8	7.4	522	404
Roofing	8.3	9.2	6.4	7.1	361	280
Plumbing	8.8	8.9	8.4	9.1	444	363
Heating	22.1	18.6	22.7	18.3	479	354
Insulation	21.6	19.9	13.2	11.9	285	216
New residential construction	.2	(2)	1.6	.1	3,640	2,618
New nonresidential construction	1.5	1.4	2.4	3.0	766	783
Miscellaneous	9.1	8.0	7.2	6.5	368	292
Total	100.0	100.0	100.0	100.0	467	360

[1] Data reflect loans insured July 1, 1947 through Mar. 1, 1950, and claims paid on these loans through Dec. 31, 1952.
[2] Less than 0.05 percent.

Payments received prior to default.—Table 75 shows a distribution of the number of payments made by borrowers prior to default on loans involving claim payments in 1952, while Chart 30 shows graphically the distributions of the total number and amount of claim payments involved. One-quarter of the total claims paid in 1952, accounting for $4 out of every $10, involved notes defaulted prior to the sixth payment. Another fifth (20.6 percent) were defaulted after 6 to 11 payments, accounting for almost one-fourth of the total claims. About 60 percent of all defaulted notes resulting in claim payments

TABLE 75.—*Number of payments received prior to default by term of property improvement loans, 1952*

Number of payments received prior to default	Percentage distribution							Average claim paid
	Term of defaulted loan					Total number	Total amount	
	6 to 11 months	12 to 23 months	24 to 35 months	36 months	37 or more months			
0	39.3	14.3	6.6	5.0	3.9	6.3	11.5	$632
1	10.6	8.9	4.9	3.0	1.0	4.0	6.8	586
2	12.8	9.4	5.3	2.9	1.5	4.2	6.3	525
3	9.6	5.3	5.8	2.6	3.4	3.9	5.8	517
4	13.3	6.2	6.5	2.2	1.5	4.0	5.5	485
5	9.6	6.4	6.1	2.3	1.5	3.8	5.3	481
6 to 11	4.8	33.4	35.1	11.5	15.0	20.6	24.0	402
12 to 17		15.6	18.9	17.2	15.5	17.6	16.1	318
18 to 23		.5	8.7	20.8	22.3	15.4	11.2	251
24 to 29			1.8	18.1	6.3	11.4	5.5	166
30 to 35			.3	14.4	7.8	8.7	1.8	71
36 or more					19.4	.1	.2	602
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	346
Percent of total	.6	6.5	32.8	59.5	.6	100.0		
Median	2.0	5.9	8.5	19.0	19.6	13.1		

had maturities of 36 months. Of these 36-month notes, more than half the required payments had been made before default on a majority of the cases resulting in claims, almost 21 percent defaulting after 18 to 23 payments and about 32 percent defaulting after the twenty-fourth payment.

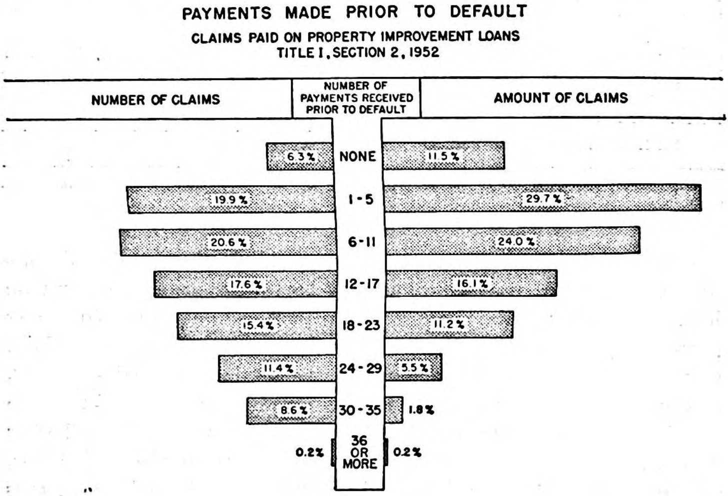

CHART 30.

Section 3

ACCOUNTS AND FINANCE

The figures for 1951 and 1952 in the financial statements of this report are on the accrual basis and are shown for the fiscal year rather than the calendar year. Section II of the report, Statistics of Insuring Operations, is on a calendar year basis to coincide with the housing year. In order to provide comparable figures, those statements in the Accounts and Finance section which are coordinated with the statistical tables shown in Section 2 have been prepared on a calendar year basis.

Prior to July 1, 1939, there was no provision in the National Housing Act for collecting premiums on insurance granted under Title I; therefore, moneys for salaries and expenses and for the payment of insurance claims were advanced by the Federal Government, and recoveries of claims paid were required to be deposited to the general fund of the Treasury.

An amendment of June 3, 1939 to the National Housing Act authorized the collection of premiums, and an amendment of June 28, 1941 authorized the retention of recoveries on insurance granted on and after July 1, 1939. Therefore, only the results of operations with respect to insurance granted on and after July 1, 1939 are included in the June 30, 1952 combined statement of financial condition (Statement 1) and the combined statement of income and expenses (Statement 2). Transactions on insurance granted before July 1, 1939 have been shown separately in a statement of accountability for funds advanced (Statement 6).

Combined Funds

Gross Income and Operating Expenses, Fiscal Year 1952

Gross income of combined FHA funds for fiscal year 1952 under all insurance operations totaled $103,021,039 and was derived from fees, insurance premiums, and income on investments. Operating expenses of the Administration during the fiscal year 1952 totaled $30,485,827. This left $72,535,212, which was added to the various insurance funds.

Cumulative Gross Income and Operating Expenses, by Fiscal Years

From the establishment of FHA in 1934 through June 30, 1952, gross income totaled $642,259,053, while operating expenses totaled $283,252,643. Gross income and operating expenses for each fiscal year are detailed below:

Income and operating expenses through June 30, 1952

Fiscal year	Income from fees, premiums, and investments	Operating expenses	Fiscal year	Income from fees, premiums, and investments	Operating expenses
1935	$539, 609	$6, 336, 905	1945	$29, 824, 744	$10, 218, 995
1936	2, 503, 248	12, 160, 487	1946	30, 729, 072	11, 191, 502
1937	5, 690, 268	10, 318, 119	1947	26, 790, 341	16, 063, 870
1938	7, 874, 377	9, 297, 884	1948	51, 164, 456	20, 070, 710
1939	11, 954, 056	12, 609, 887	1949	63, 983, 953	23, 378, 498
1940	17, 860, 296	13, 206, 525	1950	85, 705, 342	27, 457, 679
1941	24, 126, 366	13, 359, 588	1951	98, 004, 922	31, 315, 858
1942	28, 316, 764	13, 471, 496	1952	103, 021, 039	30, 485, 827
1943	25, 847, 785	11, 160, 452			
1944	28, 322, 415	11, 148, 361	Total	642, 259, 053	283, 252, 643

NOTE.—Operating expenses include profit or loss on sale and charges for depreciation of furniture and equipment.

The above income was derived from the following insurance operations: Title I Insurance Fund (property improvement loans), $80,099,573; Title I Housing Insurance Fund (home mortgages), $752,821; Title II Mutual Mortgage Insurance Fund (home mortgages), $357,440,301; Title II Housing Insurance Fund (rental housing projects), $10,220,378; Title VI War Housing Insurance Fund (war and veterans' emergency housing), $186,594,148; Title VII Housing Investment Insurance Fund (yield insurance), $28,330; Title VIII Military Housing Insurance Fund (rental housing projects), $6,561,078; and Title IX National Defense Housing Insurance Fund (home mortgages and rental housing projects), $562,424.

Salaries and Expenses

The current fiscal year is the thirteenth in which the Federal Housing Administration has met all expenditures for salaries and expenses by allocation from its insurance funds.

The amount that may be expended for salaries and expenses during a fiscal year is fixed by Congress. Under the terms of the National Housing Act, expenditures for the operations of each title and section are charged against the corresponding insurance fund.

The amounts charged against the various titles and sections of the Act during the fiscal year 1952 to cover operating costs and the purchase of furniture and equipment are as follows:

Salaries and expenses, fiscal year 1952 (July 1, 1951, to June 30, 1952)

Title and section	Amount	Percent	Title and section	Amount	Percent
Title I:			Title VI—Continued		
Sec. 2	$2, 620, 824	8. 62	Sec. 609	$4, 545	.01
Sec. 8	479, 742	1. 58	Sec. 611	50, 078	.16
Title II:			Title VII	1, 874	.01
Sec. 203	20, 097, 721	66. 09	Title VIII: Sec. 803	1, 137, 891	3. 74
Sec. 207-210	772, 719	2. 54	Title IX:		
Sec. 213	776, 276	2. 55	Sec. 903	579, 054	1. 90
Title VI:			Sec. 908	199, 525	.66
Sec. 603	828, 833	2. 73			
Sec. 608	2, 861, 010	9. 41	Total	30, 410, 092	100. 00

Capital and Statutory Reserves of Combined FHA Funds

The combined capital and statutory reserves of all FHA funds on June 30, 1952 amounted to $327,093,164, and consisted of $204,-879,894 capital ($68,497,433 investment of the United States Government and $136,382,461 earned surplus) and $122,213,270 statutory reserves, as shown in Statement 1.

STATEMENT 1.—*Comparative statement of financial condition, all FHA funds combined, as of June 30, 1951, and June 30, 1952*

	June 30, 1951	June 30, 1952	Increase or decrease (−)
ASSETS			
Cash with U. S. Treasury	$40,959,571	$65,230,556	$24,270,985
Investments:			
U. S. Government securities (amortized)	266,105,915	285,880,036	19,774,121
Other securities (stock in rental housing corporations)	412,680	438,760	26,080
Total investments	266,518,595	286,318,796	19,800,201
Loans receivable:			
Mortgage notes and contracts for deed	23,178,333	32,524,001	9,345,668
Less reserve for losses	393,147	551,301	158,154
Net loans receivable	22,785,186	31,972,700	9,187,514
Accounts and notes receivable:			
Accounts receivable—Insurance premiums	3,846,997	5,523,228	1,676,231
Accounts receivable—Other	160,645	125,248	−35,397
Total accounts and notes receivable	4,007,642	5,648,476	1,640,834
Accrued assets:			
Interest on U. S. Government securities	489,493	542,296	52,803
Interest on mortgage notes and contracts for deed	471,253		−471,253
Total accrued assets	960,746	542,296	−418,450
Land, structures, and equipment:			
Furniture and equipment	2,080,441	[1] 2,104,160	23,719
Less reserve for depreciation	969,367	1,060,328	90,961
Net furniture and equipment	1,111,074	1,043,832	−67,242
Acquired security or collateral:			
Real estate (at cost plus expenses to date)	38,030,462	51,502,344	13,471,882
Less reserve for losses	6,379,598	8,593,683	2,214,085
Net real estate	31,650,864	42,908,661	11,257,797
Mortgage notes acquired under terms of insurance (at cost plus expenses to date)	13,837,638	29,861,282	16,023,644
Less reserve for losses	2,969,163	5,531,487	2,562,324
Net mortgage notes acquired under terms of insurance	10,868,475	24,329,795	13,461,320
Defaulted Title I notes	47,427,113	48,855,633	1,428,520
Less reserve for losses	27,365,632	33,010,184	5,644,552
Net defaulted Title I notes	20,061,481	15,845,449	−4,216,032
Net acquired security or collateral	62,580,820	83,083,905	20,503,085
Total assets	398,923,634	473,840,561	74,916,927
LIABILITIES			
Accounts payable:			
Bills payable to vendors and Government agencies	6,545,465	[2] 2,959,802	−3,585,663
Group account participations payable	1,904,822	1,770,132	−134,690
Total accounts payable	8,450,287	4,729,934	−3,720,353
Accrued liabilities: Interest on debentures	1,189,821	1,521,012	331,191

[1] Excludes unfilled orders in the amount of $17,569.
[2] Excludes unfilled orders in the amount of $193,770.

STATEMENT 1.—*Comparative statement of financial condition, all FHA funds combined, as of June 30, 1952*— Continued

	June 30, 1951	June 30, 1952	Increase or—decrease (—)
Trust and deposit liabilities:			
Fee deposits held for future disposition	$5,257,696	$4,740,441	−$517,255
Excess proceeds of sale	757,360	1,024,611	267,251
Deposits held for mortgagors, lessees, and purchasers	519,593	1,171,547	651,954
Due general fund of the U. S. Treasury	5,185	21,588	16,403
Employees' pay roll deductions for taxes, etc	1,175,027	917,260	−257,767
Total trust and deposit liabilities	7,714,861	7,875,447	160,586
Deferred and undistributed credits:			
Unearned insurance premiums	52,120,514	57,744,810	5,624,296
Unearned insurance fees	816,801	438,619	−378,182
Other	74,635		−74,635
Total deferred and undistributed credits	53,011,950	58,183,429	5,171,479
Bonds, debentures and notes payable: Debentures payable	53,155,986	74,145,336	20,989,350
Other liabilities: Reserve for foreclosure costs—Mortgage notes	132,886	292,239	159,353
Statutory reserves:			
For transfer to general reinsurance account	22,625,580	26,346,363	3,720,783
Net balances of group accounts available for contingent losses, expenses, other charges, and participations	75,250,504	95,866,907	20,616,403
Total statutory reserves	97,876,084	122,213,270	24,337,186
Total liabilities	221,531,875	268,960,667	47,428,792
CAPITAL			
Investment of the U. S. Government:			
Allocations from the U. S. Treasury	21,000,000	21,000,000	
Appropriations for salaries and expenses	36,164,119	36,164,119	
Appropriations for payment of insurance claims	8,333,314	8,333,314	
Allocation to Housing Insurance Fund from general reinsurance reserve fund of the Mutual Mortgage Insurance Fund	1,000,000	1,000,000	
Allocation to Title I Housing Insurance Fund from insurance reserve fund of the Title I Insurance Fund	1,000,000	1,000,000	
Allocation to National Defense Housing Insurance Fund from insurance reserve fund of the War Housing Insurance Fund		1,000,000	1,000,000
Total investment of the U. S. Government	67,497,433	68,497,433	1,000,000
Earned surplus (deficit —):			
Insurance reserve fund (cumulative earnings) available for future losses and related expenses	98,006,878	123,753,410	25,746,532
General reinsurance reserve fund (cumulative earnings or deficit —) available for future losses and related expenses	11,887,448	12,629,051	741,603
Total earned surplus	109,894,326	136,382,461	26,488,135
Total capital	177,391,759	204,879,894	27,488,135
Total liabilities and capital	398,923,634	473,840,561	74,916,927
Contingent liability for certificates of claim on properties on hand	1,146,625	1,786,895	640,270

The paid-in capital of $68,497,433 and the earned surplus of $136,382,461 are available for future contingent losses and related expenses. The statutory reserves of $122,213,270 represent the net balances of the group accounts under the Mutual Mortgage Insurance Fund, and are earmarked for participation payments to mortgagors under the mutual provisions of Title II of the National Housing Act after providing for contingent insurance losses, expenses, and related charges.

The capital and statutory reserves of each fund are given below:

Fund	Capital and statutory reserves
Title I Insurance Fund	$22,528,274
Title I Housing Insurance Fund	872,618
Mutual Mortgage Insurance Fund	176,836,416
Housing Insurance Fund	5,497,496
War Housing Insurance Fund	109,853,179
Housing Investment Insurance Fund	988,344
Military Housing Insurance Fund	9,515,770
National Defense Housing Insurance Fund	1,001,067
Total	327,093,164

In addition, the various insurance funds had collected or accrued $438,619 unearned insurance fees and $57,744,810 unearned insurance premiums, as shown below. Since the accounts are on an accrual basis, these fees and premiums have been deferred and will be allocated to income each month as they are earned.

Fund	Deferred fee income	Deferred premium income	Total deferred fee and premium income
Title I Insurance Fund		$21,976,282	$21,976,282
Title I Housing Insurance Fund		113,465	113,465
Mutual Mortgage Insurance Fund		20,812,519	20,812,519
Housing Insurance Fund	$317,785	701,859	1,019,644
War Housing Insurance Fund	925	12,924,650	12,925,575
Military Housing Insurance Fund	62,940	1,127,528	1,190,468
National Defense Housing Insurance Fund	56,969	88,507	145,476
Total	438,619	57,744,810	58,183,429

Combined Income, Expenses, and Losses, All FHA Funds

Total income from all sources during the fiscal year 1952 amounted to $104,770,956, while total expenses and insurance losses amounted to $34,320,261, leaving net income, before adjustment of valuation and statutory reserves, of $70,450,695. Increases in valuation reserves for the year amounted to $10,579,115, leaving $59,871,580 net income for the period. Cumulative income from June 30, 1934 through June 30, 1952 was $650,499,893, and cumulative expenses were $301,998,412, leaving net income of $348,501,481 before adjustment of valuation reserves.

STATEMENT 2.—*Combined statement of income and expenses for all FHA funds, through June 30, 1951, and June 30, 1952*

	June 30, 1934 to June 30, 1951	July 1, 1951 to June 30, 1952	June 30, 1934 to June 30, 1952
Income:			
Interest and dividends:			
Interest on U. S. Government securities	$32,680,409	$6,903,763	$39,584,172
Interest on mortgage notes and contracts for deed	52,883	8,814	61,697
Interest and other income on defaulted Title I notes	1,854,606	476,817	2,331,423
Interest—Other	4,566,989	1,265,630	5,832,619
Dividends on rental housing stock	4,885	2,246	7,131
	39,159,772	8,657,270	47,817,042
Insurance premiums and fees:			
Premiums	391,022,346	81,646,658	472,669,004
Fees	113,709,621	14,461,560	128,171,181
	504,731,967	96,108,218	600,840,185
Other income:			
Profit on sale of investments	1,820,753	6,812	1,827,565
Miscellaneous income	16,445	−1,344	15,101
	1,837,198	5,468	1,842,666
Total income	545,728,937	104,770,956	650,499,893
Expenses:			
Interest expenses: Interest on debentures	3,602,448	501,517	4,103,965
Administrative expenses: Operating costs (including adjustments for prior years)	244,686,270	[1] 30,434,511	275,120,781
Other expenses:			
Depreciation on furniture and equipment	1,404,198	164,736	1,568,934
Miscellaneous expenses	241,470	18,907	260,377
	1,645,668	183,643	1,829,311
Losses and charge-offs:			
Loss on sale of acquired properties	4,390,519	782,041	5,172,560
Loss (or profit −) on equipment	−2,798	−2,084	−4,882
Loss on defaulted Title I notes	13,356,044	2,420,633	15,776,677
	17,743,765	3,200,590	20,944,355
Total expenses	267,678,151	34,320,261	301,998,412
Net income before adjustment of valuation reserves	278,050,786	70,450,695	348,501,481
Increase (−) or decrease (+) in valuation reserves:			
Reserve for loss on loans receivable	−393,147	−158,154	−551,301
Reserve for loss on real estate	−6,379,598	−2,214,085	−8,593,683
Reserve for loss on mortgage notes acquired under terms of insurance	−2,969,163	−2,562,324	−5,531,487
Reserve for loss on defaulted Title I notes	−27,365,632	−5,644,552	−33,010,184
Net adjustment of valuation reserves	−37,107,540	−10,579,115	−47,686,655
Net income	240,943,246	59,871,580	300,814,826

ANALYSIS OF EARNED SURPLUS

Distribution of net income:			
Statutory reserves:			
Balance at beginning of period		$97,876,084	
Net income for the period	$129,048,920	32,383,445	$161,432,365
	129,048,920	130,259,529	161,432,365
Participations in mutual earnings distributed	−31,172,836	−8,046,259	−39,219,095
Balance at end of period	97,876,084	122,213,270	122,213,270

[1] Excludes unfilled orders in the amount of $176,201.

STATEMENT 2.—*Combined statement of income and expenses for all FHA funds, through June 30, 1951, and June 30, 1952*—Continued

	June 30, 1934 to June 30, 1951	July 1, 1951 to June 30, 1952	June 30, 1934 to June 30, 1952
Earned surplus:			
Balance at beginning of period		$109,894,326	
Net income for the period	$111,894,326	27,488,135	$139,382,461
	111,894,326	137,382,461	139,382,461
Allocation to Housing Insurance Fund from general reinsurance reserve fund of the Mutual Mortgage Insurance Fund	−1,000,000		−1,000,000
Allocation to Title I Housing Insurance Fund from the insurance reserve fund of the Title I Insurance Fund	−1,000,000		−1,000,000
Allocation to National Defense Housing Insurance Fund from the insurance reserve fund of the War Housing Insurance Fund		−1,000,000	−1,000,000
Balance at end of period	109,894,326	136,382,461	136,382,461

Title I: Property Improvement Loans

Loans Insured and Claims Paid

Operations under Section 2 of Title I cover the insurance of qualified institutions against loss on loans made to finance the alteration, repair, and improvement of existing structures, and loans not exceeding $3,000 for the construction of new nonresidential structures.

Loans aggregating 14,367,287 in number and $6,201,088,863 in amount (net proceeds) had been reported for insurance under this section through December 31, 1952. Through that date, 438,247 claims had been paid for $134,117,916 and there were 7 claims payable on real properties acquired in the amount of $35,379. The total claims paid and payable, numbering 438,254 in the amount of $134,153,295, represent approximately 2.16 percent of the total net proceeds of loans insured, as shown in Statement 3.

In the calendar year 1952, 1,495,741 loans were insured for an aggregate of $848,327,393, and 33,265 claims were paid for $11,524,344.

STATEMENT 3.—*Summary of Title I notes insured, claims for insurance paid, and recoveries on defaulted notes purchased, by calendar years, 1934–52*

Year	Notes insured (net proceeds)	Claims for insurance paid	Recoveries on defaulted notes purchased			
			Total recoveries	Cash receipts		Real properties
				On notes	On sales of repossessed equipment	
1934	$27,405,525					
1935	201,258,132	$447,448	$9,916	$9,916		
1936	221,534,922	5,884,885	293,207	272,694	$20,513	
1937	54,344,338	6,890,897	942,295	913,758	28,537	
1938	150,709,152	6,016,306	1,552,417	1,489,044	63,373	
1939	203,994,512	4,728,346	1,941,953	1,919,524	22,429	
1940	241,734,821	6,543,568	1,902,540	1,888,681	13,859	
1941	248,638,549	7,265,059	2,539,496	2,335,107	11,853	$192,536
1942	141,163,398	7,132,210	2,831,754	2,795,685	−1,524	37,593
1943	87,194,156	3,718,643	4,168,859	4,024,096	717	144,046
1944	113,939,150	1,939,261	3,597,858	3,558,901	−159	39,116
1945	170,823,788	1,588,875	2,851,513	2,775,337	1,093	75,083
1946	320,593,183	2,435,964	3,058,351	2,772,487	7,270	278,594
1947	533,604,178	5,829,750	2,346,108	2,345,022	239	847
1948	621,612,484	14,345,659	2,503,044	2,499,536	752	2,756
1949	607,023,920	17,493,909	3,414,216	3,413,258	657	301
1950	700,224,528	18,168,052	5,208,863	5,187,283		21,580
1951	706,962,734	12,164,740	6,711,469	6,510,589	−50	200,930
1952	848,327,393	[1] 11,559,723	[1] 7,495,108	7,202,020	902	[1] 292,186
Total	**6,201,088,863**	**[1] 134,153,295**	**[1] 53,368,967**	**51,912,938**	**170,461**	**[1] 1,285,568**

NOTES.—In addition to the above recoveries, $4,862,678 interest and other income on outstanding balances of Title I notes, and $111,358 interest on mortgage notes had been collected through December 31, 1952.

Equipment in the total amount of $4,475,792 (claim amount) had been repossessed by FHA. However, only the cash recovery of $170.461 from sales is shown as a recovery, the balance of $4,305,331 having been treated as a loss. Of this amount, $3,979,705 represents equipment transferred to other Government agencies without exchange of funds; $322,833 loss on sale of equipment; and $2,793 equipment destroyed as worthless.

[1] Includes 7 claims payable on real properties acquired in the amount of $35,379.

Recoveries

Upon payment of insurance claims, the notes and other claims against the borrowers become the property of the Federal Housing Administration and are turned over to the Liquidation Section of the Title I Division for collection or other disposition. If it becomes necessary to repossess equipment under a security instrument held in connection with a defaulted note, the General Services Administration is authorized to pick up such equipment and dispose of it for the account of the Federal Housing Administration.

Real properties acquired are managed and sold by the Property Management Division of the Federal Housing Administration, which also handles the acquisition, management, and disposition of real properties acquired under the various other FHA insurance programs.

Through December 31, 1952, there had been acquired under the terms of insurance a total of 529 real properties with a claim balance of $1,356,488. All but 17 of these, with a claim balance of $72,105, had been sold at a net loss of $52,287, including all expenses (such as taxes, repairs, and sales commissions) incurred by FHA in acquiring, managing, and disposing of the properties.

Insurance losses through December 31, 1952 amounted to $66,-185,217. These losses represent 1.07 percent of the total amount of loans insured ($6,201,088,863). A summary of transactions through December 31, 1952 follows:

Summary of Title I transactions for the period June 30, 1934, to December 31, 1952

	Insurance fund	Claims account	Total Title I transactions to Dec. 31, 1952	Percent to notes insured
Total notes insured	$5,422,228,242	$778,860,621	$6,201,088,863	100.000
Total claims paid	[1] 102,664,581	31,488,714	[1] 134,153,295	1.893
Recoveries:				*Percent to claims paid*
Cash collections:				
On notes	35,750,680	16,162,258	51,912,938	38.697
On sale of repossessed equipment	5,668	164,793	170,461	.127
Total cash	35,756,348	16,327,051	52,083,399	38.824
Real properties (after deducting losses and reserve for losses on real properties and mortgage notes)	[1] 982,862	302,706	[1] 1,285,568	.958
Total recoveries	36,739,210	16,629,757	53,368,967	39.782
Net notes in process of collection	14,567,773	31,338	14,599,111	10.882
Losses:				
Loss on sale of real properties	24,490	27,797	52,287	.039
Loss on repossessed equipment	46,001	4,259,330	4,305,331	3.209
Loss on defaulted Title I notes	17,541,277	9,655,355	27,196,632	20.273
Reserve for loss on real properties and mortgage notes	18,507	126	18,633	.014
Reserve for loss on defaulted Title I notes	33,727,323	885,011	34,612,334	25.801
Total losses	51,357,598	14,827,619	66,185,217	49.336

NOTE.—Included in the loss on repossessed equipment is $3,979,705 representing the cost (claim amount) of equipment repossessed by FHA and subsequently transferred to other Government agencies for their use. Although the Federal Government has received the benefit of the residual value of this equipment, the cost to Title I is shown as a loss, since the equipment was transferred without exchange of funds.

[1] Includes 7 claims payable on real properties acquired in the amount of $35,379.

In addition to the above recoveries, $4,862,678 interest and other income on outstanding defaulted note balances, and $111,358 interest on mortgage notes had been collected through December 31, 1952.

Title I Insurance Fund

The Title I Insurance Fund was established by amendment of June 3, 1939 to the National Housing Act for the purpose of carrying out the provisions of Title I (Section 2) on insurance granted on and after July 1, 1939.

Section 2 (f) of the Act provides that moneys in the Title I Insurance Fund shall be available for defraying the operating expenses of the Federal Housing Administration under this title, and any amounts which are not needed for such purpose may be used for the payment of claims in connection with the insurance granted under this title.

Since the establishment of the Title I Insurance Fund, all operating expenses have been paid out of earnings of the fund, and since July

1, 1944, all insurance claims relating to this fund have been paid out of accumulated earnings and recoveries in the fund. Prior to July 1, 1944, a portion of the insurance claims was met from income and recoveries while the remainder was paid from funds advanced by the Federal Government.

The total capital of the Title I Insurance Fund as of June 30, 1952, as shown in Statement 4, was $22,528,274, of which $8,333,314 represented investment of the United States Government and $14,194,960 was earned surplus.

STATEMENT 4.—*Comparative statement of financial condition, Title I Insurance Fund, as of June 30, 1951, and June 30, 1952*

	June 30, 1951	June 30, 1952	Increase or decrease (—)
ASSETS			
Cash with U. S. Treasury	$15, 565, 087	$24, 696, 518	$9, 131, 431
Loans receivable:			
Mortgage notes and contracts for deed	132, 429	396, 440	264, 011
Less reserve for losses	1, 986	5, 947	3, 961
Net loans receivable	130, 443	390, 493	260, 050
Accounts and notes receivable:			
Accounts receivable—Insurance premiums	2, 205, 251	3, 884, 038	1, 678, 787
Accounts receivable—Other	14, 946	18, 395	3, 449
Accounts receivable—Inter-fund	141, 342	133, 033	−8, 309
Total accounts and notes receivable	2, 361, 539	4, 035, 466	1, 673, 927
Accrued assets: Interest on mortgage notes and contracts for deed	519	....	−519
Acquired security or collateral:			
Real estate (at cost plus expenses to date)	95, 326	137, 345	42, 019
Less reserve for losses	14, 261	20, 299	6, 038
Net real estate	81, 065	117, 046	35, 981
Defaulted Title I notes	47, 427, 113	48, 855, 633	1, 428, 520
Less reserve for losses	27, 365, 632	33, 010, 184	5, 644, 552
Net defaulted Title I notes	20, 061, 481	15, 845, 449	−4, 216, 032
Net acquired security or collateral	20, 142, 546	15, 962, 495	−4, 180, 051
Total assets	38, 200, 134	45, 084, 972	6, 884, 838
LIABILITIES			
Accounts payable: Bills payable to vendors and Government agencies	1, 147, 755	571, 430	−576, 325
Trust and deposit liabilities: Deposits held for mortgagors, lessees and purchasers	3, 969	8, 986	5, 017
Deferred and undistributed credits: Unearned insurance premiums	18, 923, 494	21, 976, 282	3, 052, 788
Total liabilities	20, 075, 218	22, 556, 698	2, 481, 480
CAPITAL			
Investment of the U. S. Government: Appropriations for payment of insurance claims	8, 333, 314	8, 333, 314	....
Earned surplus:			
Insurance reserve fund (cumulative earnings) available for future losses and related expenses	9, 791, 602	14, 194, 960	4, 403, 358
Total capital	18, 124, 916	22, 528, 274	4, 403, 358
Total liabilities and capital	38, 200, 134	45, 084, 972	6, 884, 838

For the fiscal year 1952, Title I Insurance Fund income totaled $15,127,112, while expenses and losses amounted to $5,012,821, leaving $10,114,291 net income before adjustment of valuation reserves. After the valuation reserves were increased by $5,654,551, there remained $4,459,740 net income for the year.

STATEMENT 5.—*Income and expenses, Title I Insurance Fund, through June 30, 1951 and June 30, 1952*

	June 3, 1939 to June 30, 1951	July 1, 1951 to June 30, 1952	June 3, 1939 to June 30, 1952
Income:			
Interest and dividends:			
Interest on mortgage notes and contracts for deed	$52,883	$8,814	$61,697
Interest and other income on defaulted Title I notes	1,854,606	476,817	2,331,423
	1,907,489	485,631	2,393,120
Insurance premiums and fees:			
Premiums	65,085,770	14,644,499	79,730,269
Fees	369,304		369,304
	65,455,074	14,644,499	80,099,573
Other income: Miscellaneous income	7,320	−3,018	4,302
Total income	67,369,883	15,127,112	82,496,995
Expenses:			
Administrative expenses: Operating costs	15,417,913	2,566,123	18,040,418
Other expenses:			
Depreciation on furniture and equipment	125,806	13,887	139,693
Miscellaneous expenses	223,645	18,873	242,518
	349,451	32,760	382,211
Losses and charge-offs:			
Loss on sale of acquired properties	30,783	−6,516	24,267
Loss (or profit−) on equipment	42,211	−179	42,032
Loss on defaulted Title I notes	13,356,044	2,420,633	15,776,677
	13,429,038	2,413,938	15,842,976
Total expenses	29,196,402	5,012,821	34,265,605
Net income before adjustment of valuation reserves	38,173,481	10,114,291	48,231,390
Increase (−) or decrease (+) in valuation reserves:			
Reserve for loss on loans receivable	−1,986	−3,961	−5,947
Reserve for loss on real estate	−14,261	−6,038	−20,299
Reserve for loss on defaulted Title I notes	−27,365,632	−5,644,552	−33,010,184
Net adjustment of valuation reserves	−27,381,879	−5,654,551	−33,036,430
Net income	10,791,602	4,459,740	15,194,960

ANALYSIS OF EARNED SURPLUS

Distribution of net income:			
Earned surplus:			
Balance at beginning of period		$9,791,602	
Adjustments during the period		−56,382	
Net income for the period	$10,791,602	4,459,740	$15,194,960
	10,791,602	14,194,960	15,194,960
Allocation to Title I Housing Insurance Fund from the insurance reserve fund of the Title I Insurance Fund	−1,000,000		−1,000,000
Balance at end of period	9,791,602	14,194,960	14,194,960

Title I Insurance Authority

An amendment to Section 2 (a) of the National Housing Act approved April 20, 1950 provides for a revolving type of insurance authorization. This amendment provides that the aggregate amount of obligations that may be outstanding at any one time shall not exceed $1,250,000,000. The status of the Title I Section 2 insurance authority as of December 31, 1952, is given below:

Status of Title I insurance authority as of Dec. 31, 1952

Insurance authority		$1, 250, 000, 000
Charges against insurance authority:		
Estimated outstanding balance of insurance in force:		
Amendment of June 3, 1939	$3, 659, 329	
Reserve of July 1, 1944	193, 903	
Reserve of July 1, 1947	20, 690, 871	
Reserve of Mar. 1, 1950 (including 235,926 notes on loan reports in process)	1, 223, 925, 351	
Total charges against authority		1, 248, 469, 454
Unused insurance authority		1, 530, 546

Title I Insurance Liability

The maximum amount of claims that a qualified institution may present for payment is limited to 10 percent of the eligible loans reported by that institution for insurance. As of December 31, 1952, the maximum possible liability of the Title I Insurance Fund for claims was $233,252,136.

Insurance reserves under Title I, established, released, and outstanding at Dec. 31, 1952, as provided under Secs. 2 and 6, National Housing Act

Item	Gross reserves established	Reserves released	Claims paid	Outstanding contingent liability
Insurance reserves:				
Sec. 2.				
20 percent, original Act	$66, 331, 509	$50, 769, 729	$15, 561, 780	----------
10 percent, amendment Apr. 3, 1936	17, 257, 563	10, 647, 672	6, 609, 891	----------
10 percent, amendment Feb. 3, 1938	27, 302, 148	18, 041, 547	9, 260, 601	----------
10 percent, amendment June 3, 1939	86, 068, 362	61, 990, 710	20, 418, 323	$3, 659, 329
10 percent, reserve of July 1, 1944	85, 460, 450	60, 976, 924	24, 289, 623	193, 903
10 percent, reserve of July 1, 1947	163, 085, 005	97, 435, 042	44, 959, 092	20, 690, 871
10 percent, reserve of Mar. 1, 1950	207, 609, 007	----------	12, 962, 164	194, 646, 843
Estimated loan reports in process	14, 061, 190	----------	----------	14, 061, 190
Sec. 6: [1]				
20 percent, amendment Apr. 22, 1937	297, 366	246, 498	50, 868	----------
10 percent, amendment Apr. 17, 1936	11, 913	6, 339	5, 574	----------
Total	667, 484, 513	300, 114, 461	[2] 134, 117, 916	233, 252, 136

[1] In effect from Apr. 17, 1936 to June 3, 1939, for disaster loans.
[2] Excludes 7 claims payable on real properties acquired in the amount of $35,379.

Title I Claims Account

Through June 30, 1952, the Federal Government had advanced a total of $38,243,526 to cover operations under Title I (Sec. 2) on insurance granted prior to July 1, 1939. Of this amount, $6,613,811 had been advanced for salaries and expenses and the remaining $31,629,715 had been used for the payment of insurance claims and loans to insured institutions. In addition, $2,236,443 had been collected as interest and other income, making a total of $40,479,969 accountable funds.

Funds accounted for at June 30, 1952, amounted to $40,380,229; $18,907,243 representing recoveries and interest on claims deposited in the general fund of the Treasury, and $21,472,986 representing expenses and losses, leaving a balance to be accounted for of $99,740. This balance is accounted for by the net assets on hand at June 30, 1952, which consisted of $40,784 cash, $59,834 accounts and notes receivable, and $878 trust liabilities.

STATEMENT 6.—*Title I Claims Account: Statement of accountability for funds advanced as of June 30, 1952*

Advances from RFC for:			
Payment of claims	$31, 488, 715		
Loans to insured institutions	141, 000		
Payment of salaries and expenses	6, 613, 811		
		$38, 243, 526	
Income from operations:			
Interest and other income on defaulted notes	2, 195, 595		
Miscellaneous income	40, 848		
		2, 236, 443	
Total funds available			$40, 479, 969
Recoveries on claims and loans to insured institutions deposited in the general fund of the Treasury		18, 907, 243	
Salaries and expenses		6, 613, 811	
Losses, including estimated future losses:			
Sale of real property	27, 991		
Repossessed equipment	4, 259, 330		
Defaulted notes	10, 571, 854		
		14, 859, 175	
Total funds used			40, 380, 229
Balance of funds to be accounted for			99, 740
Accountability represented by:			
Assets on hand:			
Cash		40, 784	
Accounts receivable and accrued assets		1, 869	
Mortgage notes	10, 291		
Less estimated future losses	154		
		10, 137	
Defaulted notes	973, 560		
Less estimated future losses	925, 732		
		47, 828	
Total assets on hand		100, 618	
Liabilities:			
Deposits held for account of mortgagors and lessees		878	
Net assets on hand			99, 740

Title I Housing Insurance Fund

An amendment of April 20, 1950, to the National Housing Act (Public Law 475, 81st Cong.) created the Title I Housing Insurance Fund to be used by the FHA Commissioner as a revolving fund for carrying out the provisions of Section 8 of Title I of the Act. This section provides for the insurance of mortgages to assist families of low and moderate income, particularly in suburban and outlying areas. For the purposes of this fund, the Act authorized the Commissioner to transfer the sum of $1,000,000 from the Title I Insurance Fund.

Title I, Section 8 Insurance Authority

Section 8 (a) of the National Housing Act provides that the aggregate amount of principal obligations of all mortgages insured and outstanding at any one time shall not exceed $100,000,000, except that with the approval of the President such amount may be increased by $150,000,000.

The status of the Title I, Section 8 insurance authority at December 31, 1952 was calculated as follows:

Status of Title I, Sec. 8 insurance authority as of Dec. 31, 1952

Insurance authority		$100,000,000
Charges against insurance authority:		
Estimated outstanding balance of insurance in force	$57,902,368	
Outstanding commitments	14,702,333	
Total charges against authority		72,604,701
Unused insurance authority		27,395,299

Title I Housing Insurance Fund Capital and Net Income

Assets of the Title I Housing Insurance Fund at June 30, 1952 totaled $1,130,824, against which there were outstanding liabilities of $258,206, leaving $872,618 capital. The amount of capital includes $1,000,000 which was transferred from the Title I Insurance Fund in accordance with Section 8 (h) of the Act, and an operating deficit of $127,382.

STATEMENT 7.—*Comparative statement of financial condition, Title I Housing Insurance Fund, as of June 30, 1951, and June 30, 1952*

	June 30, 1951	June 30, 1952	Increase or decrease (−)
ASSETS			
Cash with U. S. Treasury	$318,874	$163,891	−$154,983
Investments: U. S. Government securities (amortized)	958,022	957,621	−401
Accounts and notes receivable: Accounts receivable—Insurance premiums		4,163	4,163
Accrued assets: Interest on U. S. Government securities	990	990	
Acquired security or collateral:			
Real estate (at cost plus expenses to date)		4,877	4,877
Less reserve for losses		718	718
Net acquired security or collateral		4,159	4,159
Total assets	1,277,886	1,130,824	−147,062
LIABILITIES			
Accounts payable:			
Bills payable to vendors and Government agencies		35	35
Inter-fund	37,713	3,140	−34,573
Total accounts payable	37,713	3,175	−34,538
Accrued liabilities: Interest on debentures		92	92
Trust and deposit liabilities: Fee deposits held for future disposition	235,887	136,724	−99,163
Deferred and undistributed credits: Unearned insurance premiums	35,197	113,465	78,268
Bonds, debentures, and notes payable: Debentures payable		4,750	4,750
Total liabilities	308,797	258,206	−50,591
CAPITAL			
Investment of the U. S. Government:			
Allocation to Title I Housing Insurance Fund from insurance reserve fund of the Title I Insurance Fund	1,000,000	1,000,000	
Earned surplus:			
Insurance reserve fund (cumulative earnings or deficit−) available for future losses and related expenses	−30,911	−127,382	−96,471
Total capital	969,089	872,618	−96,471
Total liabilities and capital	1,277,886	1,130,824	−147,062
Contingent liabilities for certificates of claim on properties on hand		718	718

The total income of the Title I Housing Insurance Fund for fiscal year 1952 amounted to $457,741, while expenses and losses totaled $507,677, leaving a net deficit of $49,936 before adjustment of the valuation reserve. The valuation reserve was increased $718, resulting in a net deficit of $50,654 for the year.

STATEMENT 8.—*Income and expenses, Title I Housing Insurance Fund, through June 30, 1951 and June 30, 1952*

	April 20, 1950 to June 30, 1951	July 1, 1951 to June 30, 1952	April 20, 1950 to June 30, 1952
Income:			
Interest and dividends:			
Interest on U. S. Government securities	$17,039	$23,348	$40,387
Insurance premiums and fees:			
Premiums	17,386	151,699	169,085
Fees	260,655	282,694	543,349
	278,041	434,393	712,434
Total income	295,080	457,741	752,821
Expenses:			
Administrative expenses: Operating costs	324,635	504,981	875,433
Other expenses: Depreciation on furniture and equipment	1,540	2,735	4,275
Losses and charge-offs: Loss (or profit −) on equipment	−184	−39	−223
Total expenses	325,991	507,677	879,485
Net income (or loss −) before adjustment of valuation reserves	−30,911	−49,936	−126,664
Increase (−) or decrease (+) in valuation reserves:			
Reserve for loss on real estate		−718	−718
Net income or loss (−)	−30,911	−50,654	−127,382

ANALYSIS OF EARNED SURPLUS (OR DEFICIT—)

Distribution of net income:			
Earned surplus (or deficit −):			
Balance at beginning of period		−$30,911	
Adjustments during the period		−45,817	
Net income (or loss −) for the period	−$30,911	−50,654	−$127,382
Balance at end of period	−30,911	−127,382	−127,382

Investments

Section 8 (i) of the Act provides that moneys in the Title I Housing Insurance Fund not needed for current operations shall be deposited with the Treasurer of the United States to the credit of the fund, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by the United States; or the Commissioner may, with the approval of the Secretary of the Treasury, purchase in the open market debentures issued under the fund, provided that such purchases are made at a price that will produce an investment yield of not less than the yield obtainable from other authorized investments. During the fiscal year 1952, no additional investments were made for the account of this fund, and at June 30, 1952 the fund held bonds in the principal amount of $950,000 as follows:

Investments of the Title I Housing Insurance Fund, June 30, 1952

Series	Interest rate (percent)	Purchase price	Par value	Book value (amortized)
1967–72	2½	$958,367	$950,000	$957,621
Average annual yield 2.44 percent				

Properties Acquired under the Terms of Insurance

During the calendar year 1952 two properties insured under Title I Section 8 were acquired by the Commissioner under the terms of insurance. These were the first properties acquired under Section 8 of the Act, and at December 31, 1952 both properties were still held by FHA. The cost of these properties was:

Title I Housing Insurance Fund, statement of properties on hand at Dec. 31, 1952 (2 properties)

	Title I Section 8 (2 properties)
Expenses:	
Acquisition costs	$8,805
Interest on debentures	215
Taxes and insurance	102
Net cost of properties on hand	9,122

Title II: Mutual Mortgage Insurance Fund

The Mutual Mortgage Insurance Fund was established by Section 202 of the National Housing Act of June 27, 1934 as a revolving fund for carrying out the provisions of Title II with respect to insurance under Section 203 (mortgage on 1- to 4-family homes) and Section 207 (rental housing projects). An amendment to the Act approved February 3, 1938 established the Housing Insurance Fund to carry the insurance on rental housing projects insured under Section 207 after that date.

In accordaance with Section 202 of the Act, the Mutual Mortgage Insurance Fund was originally allocated the sum of $10,000,000 by the Federal Government. It has been credited with all income received in connection with insurance granted under Section 203 and that received with respect to insurance granted prior to February 3, 1938 under Section 207.

Section 205 of the Act provides that mortgages insured under Section 203 shall be classified into groups in accordance with sound actuarial practice and risk characteristics. Each group account is credited with the income and charged with the expenses and losses of the mortgages in the group. If such income exceeds the expenses and losses, the resultant credit balance is distributed in the form of participation payments to mortgagors of the group upon payment in full of their mortgages, or upon termination of the group account. A group account is terminated when the amounts to be distributed are sufficient to pay off the unpaid principal of the mortgages remaining in the group, or when all outstanding mortgages in the group have been paid.

If the expenses and losses of a group account exceed the income, no participation payments can be made and the deficit balance is absorbed by the general reinsurance account.

The general reinsurance account was established by Section 205 (b) of the Act and, in accordance with this section, was credited with the original allocation of $10,000,000 provided by Section 202 of the Act. In addition, Section 205 (c) of the Act provides for the transfer to this account, upon the termination of each group account, of an amount equal to 10 percent of the total insurance premiums theretofore credited to the group. The general reinsurance account was provided as a secondary reserve to absorb the ultimate deficits of any group accounts which lack sufficient funds to meet all expenses and losses relating to the mortgages in the group; and to cover general expenses of mutual mortgage insurance not charged against the group accounts.

Title II Insurance Authority

Under the authority contained in Section 217 of the Act as amended July 14, 1952, the aggregate amount of principal obligations of all mortgages insured under Title II outstanding at any one time was raised by the President during 1952 from $9,400,000,000 to $11,500,000,000. This authorization applies to the insurance granted on home mortgages under Section 203, rental project mortgages under Sections 207 and 210, and mortgages on cooperative projects under Section 213. The Title II insurance authority at December 31, 1952 was calculated as follows:

Status of Title II insurance authority as of Dec. 31, 1952

Insurance authority			$11,500,000,000
Charges against insurance authority:			
Sec. 203 estimated outstanding balance of insurance in force	$8,594,903,763		
Sec. 203 outstanding commitments	1,685,211,397		
		$10,280,115,160	
Sec. 207 estimated outstanding balance of insurance in force	109,178,291		
Sec. 207 outstanding commitments	28,477,301		
		137,655,592	
Sec. 213 estimated outstanding balance of insurance in force	180,821,084		
Sec. 213 outstanding commitments [1]	64,343,087		
		245,164,171	
Total charges against authority			10,662,934,923
Unused insurance authority			837,065,077

[1] Commitments include statements of eligibility.

Mutual Mortgage Insurance Fund Capital

As of June 30, 1952, the assets of the Mutual Mortgage Insurance Fund totaled $213,945,535, against which there were outstanding liabilities of $159,322,389, leaving $54,623,146 capital. Included in the liabilities are the statutory reserves of $122,213,270. This figure includes $26,346,363 for transfer to the general reinsurance account and $95,866,907 available for contingent losses, expenses, other charges, and participation payments to mortgagors under the mutual provision of the Act.

STATEMENT 9.—*Comparative statement of financial condition, Mutual Mortgage Insurance Fund, as of June 30, 1951, and June 30, 1952*

	June 30, 1951	June 30, 1952	Increase or decrease (−)
ASSETS			
Cash with U. S. Treasury	$11, 151, 092	$11, 867, 259	$716, 167
Investments: U. S. Government securities (amortized)	172, 583, 386	194, 236, 253	21, 652, 867
Loans receivable:			
Mortgage notes and contracts for deed	2, 037, 327	4, 051, 143	2, 013, 816
Less reserve for losses	30, 555	60, 763	30, 208
Net loans receivable	2, 006, 772	3, 990, 380	1, 983, 608
Accounts and notes receivable:			
Accounts receivable—Insurance premiums	900, 356	1, 054, 107	153, 751
Accounts receivable—Other		83	83
Accounts receivable—Inter-fund	1, 732, 706	715, 422	−1, 017, 284
Total accounts and notes receivable	2, 633, 062	1, 769, 612	−863, 450
Accrued assets:			
Interest on U. S. Government securities	359, 028	421, 007	61, 979
Interest on mortgage notes and contracts for deed	8, 747		−8, 747
Total accrued assets	367, 775	421, 007	53, 232
Acquired security or collateral:			
Real estate (at cost plus expenses to date)	1, 822, 009	1, 918, 948	96, 939
Less reserve for losses	255, 190	257, 924	2, 734
Net acquired security or collateral	1, 566, 819	1, 661, 024	94, 205
Total assets	190, 308, 906	213, 945, 535	23, 636, 629
LIABILITIES			
Accounts payable:			
Bills payable to vendors and Government agencies	3, 118, 873	3, 092	−3, 115, 781
Group account participations payable	1, 904, 822	1, 770, 132	−134, 690
Total accounts payable	5, 023, 695	1, 773, 224	−3, 250, 471
Accrued liabilities: Interest on debentures	169, 467	160, 545	−8, 922
Trust and deposit liabilities:			
Fee deposits held for future disposition	5, 021, 809	4, 047, 315	−974, 494
Excess proceeds of sale	80, 185	165, 785	85, 600
Deposits held for mortgagors, lessees, and purchasers	65, 949	89, 445	23, 496
Total trust and deposit liabilities	5, 167, 943	4, 302, 545	−865, 398
Deferred and undistributed credits:			
Unearned insurance premiums	18, 289, 991	20, 812, 519	2, 522, 528
Other	8, 747		−8, 747
Total deferred and undistributed credits	18, 298, 738	20, 812, 519	2, 513, 781

STATEMENT 9.—*Comparative statement of financial condition, Mutual Mortgage Insurance Fund, as of June 30, 1951, and June 30, 1952*—Continued

	June 30, 1951	June 30, 1952	Increase or decrease (—)
Bonds, debentures, and notes payable:			
Debentures payable	$9,891,436	$10,060,286	$168,850
Statutory reserves:			
For transfer to general reinsurance reserve	22,625,580	26,346,363	3,720,783
Net balances of group accounts available for contingent losses, expenses, other charges, and participations	75,250,504	95,866,907	20,616,403
Total statutory reserves	97,876,084	122,213,270	24,337,186
Total liabilities	136,427,363	159,322,389	22,895,026
CAPITAL			
Investment of the U. S. Government:			
Allocations from the U. S. Treasury	10,000,000	10,000,000	
Appropriations for salaries and expenses	31,994,095	31,994,095	
Total investment of the U. S. Government	41,994,095	41,994,095	
Earned surplus (deficit —):			
General reinsurance reserve fund (cumulative earnings or deficit —) available for future losses and related expenses	11,887,448	12,629,051	741,603
Total capital	53,881,543	54,623,146	741,603
Total liabilities and capital	190,308,906	213,945,535	23,636,629
Contingent liability for certificates of claim on properties on hand	62,909	83,461	20,552

Income and Expenses

During fiscal year 1952 the income to the fund amounted to $53,873,550, while expenses and losses amounted to $20,909,958, leaving $32,963,592 net income before adjustment of valuation reserves. After the valuation reserves had been increased $32,942, the net income for the year was $32,930,650.

The cumulative income of the Mutual Mortgage Insurance Fund from June 30, 1934 to June 30, 1952 amounted to $360,975,590, while cumulative expenses amounted to $185,595,487, leaving $175,380,103 net income before adjustment of valuation reserves. After $318,687 had been allocated to valuation reserves, the cumulative net income amounted to $175,061,416.

STATEMENT 10.—*Income and expenses, Mutual Mortgage Insurance Fund, through June 30, 1951, and June 30, 1952*

	June 30, 1934 to June 30, 1951	July 1, 1951 to June 30, 1952	June 30, 1934 to June 30, 1952
Income:			
Interest and dividends:			
Interest on U. S. Government securities	$27,215,700	$4,531,331	$31,747,031
Interest—Other	3,157,905	366,965	3,524,870
Dividends on rental housing stock	286		286
	30,373,891	4,898,296	35,272,187
Insurance premiums and fees:			
Premiums	210,528,043	38,513,131	249,041,174
Fees	64,612,129	10,454,387	75,066,516
	275,140,172	48,967,518	324,107,690
Other income:			
Profit on sale of investments	1,579,232	6,062	1,585,294
Miscellaneous income	8,745	1,674	10,419
	1,587,977	7,736	1,595,713
Total income	307,102,040	53,873,550	360,975,590
Expenses:			
Interest expense: Interest on debentures	3,602,448	501,517	4,103,965
Administrative expenses: Operating costs	157,913,097	20,160,250	177,878,940
Other expenses:			
Depreciation on furniture and equipment	890,460	109,023	999,483
Miscellaneous expenses	17,725	34	17,759
	908,185	109,057	1,017,242
Losses and charge-offs:			
Loss on sale of acquired properties	2,480,472	140,506	2,620,978
Loss (or profit −) on equipment	−24,275	−1,372	−25,647
	2,456,197	139,134	2,595,331
Total expenses	164,879,927	20,909,958	185,595,487
Net income before adjustment of valuation reserves	142,222,113	32,963,592	175,380,103
Increase (−) or decrease (+) in valuation reserves:			
Reserve for loss on loans receivable	−30,555	−30,208	−60,763
Reserve for loss on real estate	−255,190	−2,734	−257,924
Net adjustment of valuation reserves	−285,745	−32,942	−318,687
Net income	141,936,368	32,930,650	175,061,416

ANALYSIS OF EARNED SURPLUS

Distribution of net income:			
Statutory reserves:			
Balance at beginning of period		$97,876,084	
Net income for the period	$129,048,920	32,383,445	$161,432,365
	129,048,920	130,259,529	161,432,365
Participations in mutual earnings distributed	−31,172,836	−8,046,259	−39,219,095
Balance at end of period	97,876,084	122,213,270	122,213,270
Earned surplus:			
Balance at beginning of period		11,887,448	
Adjustments during the period		194,398	
Net income for the period	12,887,448	547,205	13,629,051
	12,887,448	12,629,051	13,629,051
Allocation to Housing Insurance Fund from general reinsurance reserve fund of the Mutual Mortgage Insurance Fund	−1,000,000		−1,000,000
Balance at end of period	11,887,448	12,629,051	12,629,051

Investments

Section 206 of the Act provides that excess moneys in the Mutual Mortgage Insurance Fund not needed for current operations shall be deposited with the Treasurer of the United States to the credit of the fund, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by the United States; or the Commissioner may, with the approval of the Secretary of the Treasury, purchase in the open market debentures issued under the fund, provided that such purchases are made at a price which will produce an investment yield of not less than the yield obtainable from other authorized investments.

During the fiscal year 1952, $27,750 of Series A 3 percent Mutual Mortgage Insurance Fund debentures matured and were paid, $329,650 of Series E 2¾ percent were purchased from the Reconstruction Finance Corporation, $154,900 were redeemed in payment of mortgage insurance premiums, and $1,659,800 were called for redemption.

Net purchases of United States Government securities made during the year increased the holdings of the fund by $22,300,000 (principal amount). These transactions resulted in an increase in the average annual yield from 2.47 percent to 2.49 percent. On June 30, 1952, the fund held United States Government securities in the amount of $194,167,000, principal amount, as follows:

Investments of the Mutual Mortgage Insurance Fund, June 30, 1952

Series	Interest rate (percent)	Purchase price	Par value	Book value (amortized)
1962-67	2½	$5,000,000	$5,000,000	$5,000,000
1963-68	2½	4,500,000	4,500,000	4,500,000
1964-69	2½	31,531,391	32,000,000	31,544,756
1965-70	2½	19,391,711	19,550,000	19,396,928
1966-71	2½	15,324,140	15,450,000	15,326,822
1967-72	2½	118,585,259	117,667,000	118,467,747
Average annual yield 2.49 percent		194,332,501	194,167,000	194,236,253

Properties Acquired under the Terms of Insurance

Two hundred and eighty-two homes insured under Section 203 were acquired by the Commissioner during the calendar year 1952 under the terms of insurance. During 1951, 407 foreclosed properties had been transferred to the Commissioner, and in 1950 there had been 225 such transfers. Through 1952, a total of 5,022 homes had been acquired under the Mutual Mortgage Insurance Fund, for which debentures and cash adjustments had been issued in the amount of $24,742,060. Statement 11 shows the turnover of Section 203 acquired properties since the acquisition of the first such property in 1936.

STATEMENT 11.—*Turnover of properties acquired under Section 203 of Title II contracts of insurance by years, and cumulative through Dec. 31, 1952*

Properties acquired		Properties sold by calendar years																Properties on hand Dec. 31, 1952
Year	Number	1936–37	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	
1936	13	11	2															
1937	98	13	67	7	5	6												
1938	324		139	99	50	28	6	2	−1	1								
1939	753			278	331	110	28	3	2	1								
1940	1,123				611	448	46	14	3	1								
1941	1,044					754	257	29	2	2								
1942	502						355	139	8									
1943	168							140	27	1								
1944	33								26	7								
1945	8									7	1							
1946	1										1							
1947																		
1948	4												2	2				
1949	37													17	19	1		
1950	225														65	102	25	33
1951	407															188	173	46
1952	282																142	140
Total	5,022	24	208	384	997	1,346	692	327	67	20	2		2	19	84	291	340	219

NOTES.—On the 4,803 properties sold, the average time between acquisition and sale by the Federal Housing Administration was 6.16 months.

The number of properties sold has been reduced by 17 properties repossessed because of default on mortgage notes. All 17 reacquisitions had been resold by Dec. 31, 1952.

Through December 31, 1952, 4,803 acquired properties insured under Section 203 had been sold at prices which left a net charge against the fund of $2,716,079, or an average of approximately $565 per case. One Section 207 rental housing project insured under the Mutual Mortgage Insurance Fund prior to February 3, 1938 had been acquired and sold in 1941 at no loss to the fund.

STATEMENT 12.—*Statement of profit and loss on sale of acquired properties, Mutual Mortgage Insurance Fund, through Dec. 31, 1952*

Item	Sec. 203 (4,803 properties)	Sec. 207 (1 property)	Total Title II (4,804 properties)
Proceeds of sales:[1]			
Sales price	$23,988,115	$1,000,000	$24,988,115
Less commission and other selling expenses	1,127,056		1,127,056
Net proceeds of sales	22,861,059	1,000,000	23,861,059
Income:			
Rental and other income (net)	421,922		421,922
Mortgage note income	2,747,315		2,747,315
Total income	3,169,237		3,169,237
Total proceeds of sold properties	26,030,296	1,000,000	27,030,296
Expenses:			
Debentures and cash adjustments	23,326,536	942,145	24,268,681
Interest on debentures	3,185,999	18,387	3,204,386
Taxes and insurance	458,393	5,012	463,405
Repairs and improvements	892,625		892,625
Maintenance and operating expense	121,585		121,585
Miscellaneous expense	5,021	1,669	6,690
Total expenses	27,990,159	967,213	28,957,372

See footnote at end of table.

STATEMENT 12.—*Statement of profit and loss on sale of acquired properties, Mutual Mortgage Insurance Fund, through Dec. 31, 1952*—Continued

Item	Sec. 203 (4,803 properties)	Sec. 207 (1 property)	Total Title II (4,804 properties)
Net profit (or loss —) before distribution of liquidation profits	—$1,959,863	$32,787	—$1,927,076
Less distribution of liquidation profits:			
Certificates of claim	511,551	31,532	543,083
Increment on certificates of claim	32,768	1,255	34,023
Refunds to mortgagors	211,897		211,897
Loss to Mutual Mortgage Insurance Fund	2,716,079		2,716,079
Average loss to Mutual Mortgage Insurance Fund	565		

[1] Analysis of terms of sales:

Terms of sales	Number of properties	Number of notes	Cash	Mortgage notes	Sales price
Properties sold for all cash	782		$4,872,285		$4,872,285
Properties sold for cash and notes (or contracts for deed)	4,005	3,995	2,297,622	$17,757,231	20,054,853
Properties sold for notes only	17	17		60,977	60,977
Total	4,804	4,012	7,169,907	17,818,208	24,988,115

On December 31, 1952, the FHA held 219 properties insured under the Mutual Mortgage Insurance Fund. The cost of these properties was:

Mutual Mortgage Insurance Fund, statement of properties on hand at Dec. 31, 1952 (219 properties)

	Sec. 203 (219 properties)
Expenses:	
Acquisition costs	$1,415,524
Interest on debentures	63,441
Taxes and insurance	38,906
Repairs and improvements	46,752
Maintenance and operating expenses	38,054
Miscellaneous expenses	7
Total expenses	1,602,684
Income: Rental and other income (net)	7,874
Net cost of properties on hand	1,594,810

Certificates of Claim and Refunds to Mortgagors

Section 204 (f) of the Act provides that if the net amount realized from any property acquired by the FHA under the terms of insurance with respect to which Section 204 (f) is applicable, after deducting all expenses incurred in handling, dealing with, and disposing of such property, exceeds the face value of debentures issued and cash paid in exchange for such property plus all interest paid on such debentures, such excess shall be applied to the certificate of claim issued to the mortgagee, and that any excess remaining after paying the certificate of claim and increment thereon shall be refunded to the mortgagor.

Certificates of claim issued in connection with the 4,803 Section 203 properties which had been acquired and sold through 1952 totaled $1,991,489. The amount paid or to be paid on these certificates of claim totaled $511,552 (approximately 26 percent), while certificates of claim totaling $1,479,937 (approximately 74 percent) had been or will be canceled.

In addition, there were excess proceeds on approximately 15 percent (or 730) of the 4,803 sold properties, amounting to $211,897, for refund to mortgagors. The refund to mortgagors on these 730 cases averaged $290.

Mutual Mortgage Participation Payments

In carrying out the mutual provisions of Title II the FHA had established through June 30, 1952 a total of 304 group accounts, of which 169 had credit balances for distribution and 135 had deficit balances. The 169 group accounts that had credit balances included 29 from which participation payments had been made at the time of termination, 15 from which payments will be made, and 125 from which participation shares are being currently disbursed to mortgagors who pay their mortgages in full prior to maturity.

Of the 135 deficit-balance groups at June 30, 1952, 71 had been terminated with deficits totaling $151,456, and these deficits had been charged against the general reinsurance account. The income of the remaining 64 groups had not yet been sufficient to offset the expenses and reserves for losses.

The credit balances of the 29 group accounts which had matured and from which participation payments had been made amounted to $839,235, and these balances were shared by 7,807 mortgagors. Payments to mortgagors ranged from $1.89 to $75.00 per $1,000 of original face amount of mortgage. The credit balances of the 15 groups from which participation payments will be made amounted to $1,083,469 on June 30, 1952, and will be shared by approximately 6,095 mortgagors.

The first participation payments in connection with insured loans prepaid in full were made as of January 1, 1944, and during the 8½ years following that date total payments of $39,219,095 were made or accrued on 333,890 insured loans.

The credit balances of the 125 groups, from which participation payments are being made as insured loans are paid in full, amounted to $60,743,891 on June 30, 1952. On that date there were still in force in these group accounts approximately 308,285 insured mortgages on which the original face amount had been $1,444,499,659.

Title II: Housing Insurance Fund

The insurance risks on rental and group housing insured under Sections 207 and 210 after February 3, 1938, and on cooperative housing insured under Section 213 are liabilities of the Housing Insurance Fund, which was established by an amendment to the National Housing Act approved February 3, 1938.

Section 213, which was added to the Act by an amendment approved April 20, 1950, authorizes the insurance of mortgages on cooperative housing projects. To be eligible for insurance under Section 213, the mortgagor must be a nonprofit cooperative ownership housing corporation, the permanent occupancy of the dwellings being restricted to members, or a nonprofit corporation organized for the purpose of building homes for members. In the latter instance provision is made for the release from the blanket mortgage of individual properties for sale to members and for the insurance of individual mortgages under Section 213 on such released properties.

Appraisal fees, insurance premiums, interest on investments, and income from projects acquired under the terms of insurance are deposited with the Treasurer of the United States to the credit of the Housing Insurance Fund. Foreclosure losses and general operating expenses of the Federal Housing Administration under Sections 207 and 210 since February 3, 1938, and under Section 213 are charged against the fund.

This is not a mutual insurance fund in the sense that any portion of the net income from operations will be shared by mortgagors in the form of participation payments. Any increase in the fund resulting from operations is retained as a general reserve to meet possible insurance losses and future expenses in connection with Sections 207, 210, and 213 insurance. In accordance with Section 207 (h) of the Act, the excess proceeds, if any, from the sale of an acquired project, after deduction of all costs incident to the acquisition, handling, and final disposition of such project, are applied to the mortgagee's certificate of claim and increment thereon, and any balance is credited to the Housing Insurance Fund, except that with respect to individual mortgages insured under the provisions of Section 213 (d) any excess remaining after payment of the certificate of claim and increment thereon is for refund to the mortgagor. Prior to enactment of the amendments of August 10, 1948 to the National Housing Act, any excess remaining after payment of the certificate of claim and increment thereon was refunded to the mortgagor.

Housing Insurance Fund Capital and Net Income

Assets of the Housing Insurance Fund as of June 30, 1952 totaled $8,203,304, against which there were outstanding liabilities of $2,705,-808. The capital of the fund amounted to $5,497,496, represented by $5,170,024 investment of the United States Government and earned surplus of $327,472. Included in the capital is the sum of $1,000,000, which was transferred in accordance with Section 207 (f) of the Act from appraisal fees collected under the Mutual Mortgage Insurance Fund.

STATEMENT 13.—*Comparative statement of financial condition, Housing Insurance Fund, as of June 30, 1951, and June 30, 1952*

	June 30, 1951	June 30, 1952	Increase or decrease (—)
ASSETS			
Cash with U. S. Treasury	$1, 998, 943	$713, 282	—$1, 285, 661
Investments:			
U. S. Government securities (amortized)	2, 909, 614	3, 501, 067	591, 453
Other securities (stock in rental housing corporations)	7, 700	17, 500	9, 800
Total investments	2, 917, 314	3, 518, 567	601, 253
Loans receivable:			
Mortgage notes and contracts for deed	2, 817, 299	2, 698, 513	—118, 786
Less reserve for losses	42, 259	40, 478	—1, 781
Net loans receivable	2, 775, 040	2, 658, 035	—117, 005
Accounts and notes receivable: Accounts receivable—Insurance premiums	38, 643	7, 489	—31, 154
Accrued assets:			
Interest on U. S. Government securities	3, 020	3, 580	560
Interest on mortgage notes and contracts for deed	5, 146		—5, 146
Total accrued assets	8, 166	3, 580	—4, 586
Acquired security or collateral:			
Mortgage notes acquired under terms of insurance (at cost plus expenses to date)		1, 528, 326	1, 528, 326
Less reserve for losses		225, 975	225, 975
Net acquired security or collateral		1, 302, 351	1, 302, 351
Total assets	7, 738, 106	8, 203, 304	465, 198
LIABILITIES			
Accounts payable:			
Bills payable to vendors and Government agencies		41	41
Inter-fund	112, 576	—4, 744	—117, 320
Total accounts payable	112, 576	—4, 703	—117, 279
Accrued liabilities: Interest on debentures	19, 112	21, 826	2, 714
Trust and deposit liabilities:			
Excess proceeds of sale	39, 903	29, 522	—10, 381
Deposits held for mortgagors, lessees and purchasers	34, 541	133, 060	98, 519
Total trust and deposit liabilities	74, 444	162, 582	88, 138
Deferred and undistributed credits:			
Unearned insurance premiums	297, 655	701, 859	404, 204
Unearned insurance fees	645, 999	317, 785	—328, 214
Total deferred and undistributed credits	943, 654	1, 019, 644	75, 990
Bonds, debentures, and notes payable: Debentures payable	1, 390, 000	1, 492, 350	102, 350

STATEMENT 13.—*Comparative statement of financial condition, Housing Insurance Fund, as of June 30, 1951, and June 30, 1952*—Continued

	June 30, 1951	June 30, 1952	Increase or decrease (−)
LIABILITIES			
Other liabilities: Reserve for foreclosure costs—Mortgage notes		$14,109	$14,109
Total liabilities	$2,539,786	2,705,808	166,022
CAPITAL			
Investment of the U. S. Government:			
Appropriations for salaries and expenses	4,170,024	4,170,024	
Allocation to Housing Insurance Fund from general reinsurance reserve fund of the Mutual Mortgage Insurance Fund	1,000,000	1,000,000	
Total investment of the U. S. Government	5,170,024	5,170,024	
Earned surplus (deficit −):			
Insurance reserve fund (cumulative earnings or deficit −) available for future losses and related expenses	28,296	327,472	299,176
Total capital	5,198,320	5,497,496	299,176
Total liabilities and capital	7,738,106	8,203,304	465,198
Contingent liability for certificates of claim on properties on hand		23,603	23,603

During the fiscal year 1952 the income of the fund amounted to $2,206,528, while expenses and losses amounted to $1,550,232, leaving $656,296 net income before adjustment of valuation reserves. After the valuation reserves had been increased by $224,194, there remained $432,102 as net income for the year.

STATEMENT 14.—*Income and expenses, Housing Insurance Fund, through June 30, 1951, and June 30, 1952*

	Feb. 3, 1938 to June 30, 1951	July 1, 1951 to June 30, 1952	Feb. 3, 1938 to June 30, 1952
Income:			
Interest and dividends:			
Interest on U. S. Government securities	$744,143	$81,253	$825,396
Interest—Other	122,535	94,105	216,640
Dividends on rental housing stock	1,291	127	1,418
	867,969	175,485	1,043,454
Insurance premiums and fees:			
Premiums	5,771,861	812,804	6,584,665
Fees	1,502,092	1,218,239	2,720,331
	7,273,953	2,031,043	9,304,996
Other income: Profit on sale of investments	88,568		88,568
Total income	8,230,490	2,206,528	10,437,018
Expenses:			
Administrative expenses: Operating costs	8,068,105	1,533,841	9,734,872
Other expenses:			
Depreciation on furniture and equipment	53,663	8,302	61,965
Miscellaneous expenses	100		100
	53,763	8,302	62,065

STATEMENT 14.—*Income and expenses, Housing Insurance Fund, through June 30, 1951, and June 30, 1952*—Continued

	Feb. 3, 1938 to June 30, 1951	July 1, 1951 to June 30, 1952	Feb. 3, 1938 to June 30, 1952
Losses and charge-offs:			
Loss on sale of acquired properties	$38, 909	$8, 204	$47, 113
Loss (or profit—) on equipment	−842	−115	−957
	38, 067	8, 089	46, 156
Total expenses	8, 159, 935	1, 550, 232	9, 843, 093
Net income (or loss —) before adjustment of valuation reserves	70, 555	656, 296	593, 925
Increase (—) or decrease (+) in valuation reserves:			
Reserve for loss on loans receivable	−42, 259	+1, 781	−40, 478
Reserve for loss on mortgage notes acquired under terms of insurance		−225, 975	−225, 975
Net adjustment of valuation reserves	−42, 259	−224, 194	−266, 453
Net income	28, 296	432, 102	327, 472
ANALYSIS OF EARNED SURPLUS			
Distribution of net income:			
Earned surplus (or deficit —):			
Balance at beginning of period		$28, 296	
Adjustments during the period		−132, 926	
Net income for the period	$28, 296	432, 102	$327, 472
Balance at end of period	28, 296	327, 472	327, 472

Investments

Section 207 (p) of the National Housing Act provides that excess moneys not needed for current operations under the Housing Insurance Fund shall be deposited with the Treasurer of the United States to the credit of the Housing Insurance Fund or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by the United States, or, with the approval of the Secretary of the Treasury, used for the purchase in the open market of debentures issued under Section 207 and Section 204. During the fiscal year 1952, $1,390,000 of Series D 2¾ percent Housing Insurance Fund debentures were called for redemption. Purchases of United States Government securities during the year increased the holdings of the fund $600,000 (principal amount). These transactions resulted in a decrease in the average annual yield from 2.48 percent to 2.47 percent. On June 30, 1952, the fund held United States Government securities in the principal amount of $3,500,000, as follows:

Investments of the Housing Insurance Fund, June 30, 1952

Series	Interest rate (percent)	Purchase price	Par value	Book value (amortized)
1956	2	$200, 000	$200, 000	$200, 000
1962–67	2½	1, 500, 000	1, 500, 000	1, 500, 000
1967–72	2½	1, 801, 438	1, 800, 000	1, 801, 067
Average annual yield 2.47 percent		3, 501, 438	3, 500, 000	3, 501, 067

Property Acquired under the Terms of Insurance

During 1952, 1 mortgage note (20 units) insured under Section 207 and 1 mortgage note (144 units) insured under Section 213 were assigned to the FHA Commissioner under the terms of insurance. Through December 31, 1952, a cumulative total of 16 rental housing projects and 2 mortgage notes insured under Sections 207–210 of the Housing Insurance Fund and 1 mortgage note insured under Section 213 had been acquired under the terms of insurance. All 16 projects and 1 of the mortgage notes insured under Sections 207–210 had been sold at no loss to the Housing Insurance Fund. At December 31, 1952, there remained on hand 1 mortgage note insured under Section 207 and 1 mortgage note insured under Section 213 as follows:

Housing Insurance Fund, statement of properties on hand as of Dec. 31, 1952

	Sec. 207 1 mortgage note [1] (20 units)	Sec. 213 1 mortgage note [1] (144 units)	Total 2 mortgage notes (164 units)
Expenses:			
Acquisition cost	$141,000	$1,506,500	$1,647,500
Interest on debentures	2,032	37,302	39,334
Net cost of properties on hand	143,032	1,543,802	1,686,834

[1] Acquired in exchange for debentures.

In addition to the rental housing projects acquired under the Housing Insurance Fund, 1 Section 207 project insured under the Mutual Mortgage Insurance Fund had been acquired and sold at no loss to that fund.

STATEMENT 15.—*Statement of profit and loss on sale of acquired projects, Housing Insurance Fund, through Dec. 31, 1952*

	Sec. 207-210		Total HI Fund 16 projects and (1 mortgage note)
	(1 mortgage note)	(16 projects)	
Proceeds of sales: [1]			
Sales price (or proceeds of mortgage note)	$2,989,981	$12,109,904	$15,099,885
Less commissions		4,538	4,538
Net proceeds of sales	2,989,981	12,105,366	15,095,347
Income:			
Rental and other income (net)		1,667,737	1,667,737
Mortgage note income	428,893	2,143,744	2,572,637
Total income	428,893	3,811,481	4,240,374
Total proceeds of sold properties	3,418,874	15,916,847	19,335,721
Expenses:			
Debentures and cash adjustments	2,930,182	11,731,713	14,661,895
Interest on debentures	300,201	2,458,829	2,759,030
Taxes and insurance		469,595	469,595
Repairs and improvements		214,466	214,466
Maintenance and operating expense		751,104	751,104
Miscellaneous expense	2,501	29,752	32,253
Total expenses	3,232,884	15,655,459	18,888,343

See footnote at end of table.

STATEMENT 15.—*Statement of profit and loss on sale of acquired projects, Housing Insurance Fund, through Dec. 31, 1952*—Continued

	Sec. 207-210		Total HI Fund (16 projects and 1 mortgage note)
	(1 mortgage note)	(16 projects)	
Net profit before distribution of liquidation profits	$185,990	$261,388	$447,378
Less distribution of liquidation profits:			
Certificates of claim	15,728	190,207	205,935
Increment on certificates of claim	1,789	28,400	30,189
Refunds to mortgagors	168,473	3,816	172,289
Excess credited to fund		38,965	38,965

[1] Analysis of terms of sales:

Terms of sales	Number	Cash	Mortgage notes	Sales price
Projects sold for cash	2	$3,062,401		$3,062,401
Projects sold for cash and mortgage notes (or contracts for deed)	13	228,789	$10,149,283	10,378,072
Projects sold for mortgage notes or contracts for deed only	2		1,659,412	1,659,412
Total	17	3,291,190	11,808,695	15,099,885

Certificates of Claim and Refunds to Mortgagors

Certificates of claim issued in connection with the 16 projects and 1 mortgage note which had been sold under the Housing Insurance Fund through December 31, 1952 totaled $290,400. The amount paid or to be paid on these certificates totaled $205,935, and the amount canceled totaled $84,465. In addition, excess proceeds on 3 projects had been refunded to mortgagors in the amount of $172,289, in accordance with provisions of the Act prior to the amendment of August 10, 1948.

The certificate of claim issued in connection with the only rental housing project acquired under the Mutual Mortgage Insurance Fund amounted to $31,532. This certificate of claim had been paid in full, with increment thereon in the amount of $1,255.

Title VI: War Housing Insurance Fund

The insurance risks on privately financed emergency housing loans insured under Title VI are liabilities of the War Housing Insurance Fund established by an amendment of March 28, 1941 to the National Housing Act. Section 603 of Title VI authorizes the insurance of home mortgages (1- to 4-family); Section 608, the insurance of mortgages on rental and group housing; Section 609, the insurance of loans to finance the manufacture of housing; Section 610, the insurance under Sections 603 and 608 of any mortgage executed in connection with sales by the Government of specified types of permanent housing; and Section 611, the insurance of mortgages, including construction advances, on projects of 25 or more single-family dwellings.

The War Housing Insurance Fund was originally allocated the sum of $5,000,000 by the Federal Government. It has been credited with all income received in connection with insurance granted under Title VI, and has been charged with all expenses and losses relating to such insurance.

This is not a mutual fund, and any balance remaining in the fund after all Title VI expenses and insurance claims have been met will revert to the general fund of the Treasury.

Title VI Insurance Authority

As of December 31, 1952, Section 603 (a) of the National Housing Act provided that the aggregate amount of principal obligations of mortgages insured under Title VI should not exceed $7,150,000,000. This limitation applied to insurance granted on home mortgages insured under Section 603 and rental housing project mortgages insured under Section 608.

In addition to the above authorization, the Act provided that the aggregate amount of principal obligations of all mortgages insured pursuant to Sections 609, 610, and 611 should not exceed $150,000,000. The insurance authorization with respect to these sections was reduced from $750,000,000 to $150,000,000 during 1952 in accordance with Section 217 of the Act as amended July 14, 1952.

The status of the Title VI insurance authority at December 31, 1952 was calculated as follows:

Status of Title VI insurance authority as of Dec. 31, 1952

	Secs. 603 and 608	Secs. 609, 610, and 611
Insurance authority	$7, 150, 000, 000	$150, 000, 000
Charges against insurance authority:		
Mortgages insured	7, 086, 167, 780	40, 742, 779
Less: Mortgages reinsured	107, 187, 271	73, 950
Net mortgages insured	6, 978, 980, 509	40, 668, 829
Commitments for insurance [1]		3, 248, 680
Total charges against authority	6, 978, 980, 509	43, 917, 509
Unused insurance authority	171, 019, 491	106, 082, 491

[1] Commitments include statements of eligibility.

War Housing Insurance Fund Capital

Assets of the War Housing Insurance Fund as of June 30, 1952, totaled $188,760,250, against which there were outstanding liabilities of $78,907,071. The fund had capital of $109,853,179, consisting of $5,000,000 invested by the United States Government and $104,853,179 earned surplus.

STATEMENT 16.—*Comparative statement of financial condition, War Housing Insurance Fund, as of June 30, 1951, and June 30, 1952*

	June 30, 1951	June 30, 1952	Increase or decrease (−)
ASSETS			
Cash with U. S. Treasury	$6,777,644	$21,745,507	$14,967,863
Investments:			
U. S. Government securities (amortized)	81,643,072	76,890,500	−4,752,572
Other securities (stock in rental housing corporations)	398,180	407,460	9,280
Total investments	82,041,252	77,297,960	−4,743,292
Loans receivable:			
Mortgage notes and contracts for deed	18,191,278	25,377,905	7,186,627
Less reserve for losses	318,347	444,113	125,766
Net loans receivable	17,872,931	24,933,792	7,060,861
Accounts and notes receivable:			
Accounts receivable—Insurance premiums	659,679	564,595	−95,084
Accounts receivable—Other	26	1,692	1,666
Accounts receivable—Inter-fund	234,478	−38,839	−273,317
Total accounts and notes receivable	894,183	527,448	−366,735
Accrued assets:			
Interest on U. S. Government securities	116,351	101,667	−14,684
Interest on mortgage notes and contracts for deed	456,841		−456,841
Total accrued assets	573,192	101,667	−471,525
Acquired security or collateral:			
Real estate (at cost plus expenses to date)	36,113,127	49,441,174	13,328,047
Less reserve for losses	6,110,147	8,314,742	2,204,595
Net real estate	30,002,980	41,126,432	11,123,452
Mortgage notes acquired under terms of insurance (at cost plus expenses to date)	13,837,638	28,332,956	14,495,318
Less reserve for losses	2,969,163	5,305,512	2,336,349
Net mortgage notes acquired under terms of insurance	10,868,475	23,027,444	12,158,969
Net acquired security or collateral	40,871,455	64,153,876	23,282,421
Total assets	149,030,657	188,760,250	39,729,593
LIABILITIES			
Accounts payable: Bills payable to vendors and Government agencies	19,923	7,507	−12,416
Accrued liabilities: Interest on debentures	1,001,242	1,338,549	337,307
Trust and deposit liabilities:			
Excess proceeds of sale	637,272	829,304	192,032
Deposits held for mortgagors, lessees, and purchasers	415,134	940,056	524,922
Total trust and deposit liabilities	1,052,406	1,769,360	716,954
Deferred and undistributed credits:			
Unearned insurance premiums	13,893,814	12,924,650	−969,164
Unearned insurance fees	142,710	925	−141,785
Other	65,888		−65,888
Total deferred and undistributed credits	14,102,412	12,925,575	−1,176,837
Bonds, debentures, and notes payable: Debentures payable	41,874,550	62,587,950	20,713,400
Other liabilities: Reserve for foreclosure costs—Mortgage notes	132,886	278,130	145,244
Total liabilities	58,183,419	78,907,071	20,723,652

STATEMENT 16.—*Comparative statement of financial condition, War Housing Insurance Fund, as of June 30, 1951, and June 30, 1952*—Continued

	June 30, 1951	June 30, 1952	Increase or decrease (—)
CAPITAL			
Investment of the U. S. Government: Allocations from the U. S. Treasury	$5,000,000	$5,000,000	
Earned surplus: Insurance reserve fund (cumulative earnings) available for future losses and related expenses	85,847,238	104,853,179	$19,005,941
Total capital	90,847,238	109,853,179	19,005,941
Total liabilities and capital	149,030,657	188,760,250	39,729,593
Contingent liability for certificates of claim on properties on hand	1,083,716	1,679,477	595,761

Income and Expenses

During the fiscal year 1952 the fund earned $29,202,008 and had expenses of $4,649,823, leaving $24,552,185 net income before adjustment of valuation reserves. After the valuation reserves had been increased by $4,666,710, the net income for the year amounted to $19,885,475, which was added to the insurance reserve fund.

The cumulative income of the War Housing Insurance Fund from its establishment March 28, 1941, to June 30, 1952 amounted to $188,-685,637, while cumulative expenses were $68,768,091, leaving $119,-917,546 net income before adjustment of reserves. Valuation reserves of $14,064,367 were established, leaving cumulative net income of $105,853,179.

STATEMENT 17.—*Income and expenses, War Housing Insurance Fund, through June 30, 1951 and June 30, 1952*

	Mar. 28, 1941 to June 30, 1951	July 1, 1951 to June 30, 1952	Mar. 28, 1941 to June 30, 1952
Income:			
Interest and dividends:			
Interest on U. S. Government securities	$4,525,614	$2,038,247	$6,563,861
Interest—Other	1,286,549	804,560	2,091,109
Dividends on rental housing stock	3,308	2,074	5,382
	5,815,471	2,844,881	8,660,352
Insurance premiums and fees:			
Premiums	108,800,381	25,828,667	134,629,048
Fees	44,714,444	527,710	45,242,154
	153,514,825	26,356,377	179,871,202
Other income:			
Profit on sale of investments	152,953	750	153,703
Miscellaneous income	380		380
	153,333	750	154,083
Total income	159,483,629	29,202,008	188,685,637

STATEMENT 17.—*Income and expenses, War Housing Insurance Fund, through June 30, 1951, and June 30, 1952*—Continued

	Mar. 28, 1941 to June 30, 1951	July 1, 1951 to June 30, 1952	Mar. 28, 1941 to June 30, 1952
Expenses:			
Administrative expenses: Operating costs	$62.089,041	$3,988,549	$65,957,124
Other expenses: Depreciation on furniture and equipment	328,650	21,679	350,329
Losses and charge-offs:			
Loss on sale of acquired properties	1,840,355	639,847	2,480,202
Loss (or profit —) on equipment	—19,312	—252	—19,564
	1,821,043	639,595	2,460,638
Total expenses	64,238,734	4,649,823	68,768,091
Net income before adjustment of valuation reserves	95,244,895	24,552,185	119,917,546
Increase (—) or decrease (+) in valuation reserves:			
Reserve for loss on loans receivable	—318,347	—125,766	—444,113
Reserve for loss on real estate	—6,110,147	—2,204,595	—8,314,742
Reserve for loss on mortgage notes acquired under terms of insurance	—2,969,163	—2,336,349	—5,305,512
Net adjustment of valuation reserves	—9,397,657	—4,666,710	—14,064,367
Net income	85,847,238	19,885,475	105,853,179

ANALYSIS OF EARNED SURPLUS

Distribution of net income:			
Earned surplus:			
Balance at beginning of period		$85,847,238	
Adjustments during the period		120,466	
Net income for the period	$85,847,238	19,885,475	$105,853,179
	85,847,238	105,853,179	105,853,179
Allocation to National Defense Housing Insurance Fund from the insurance reserve fund of the War Housing Insurance Fund		—1,000,000	—1,000,000
Balance at end of period	85,847,238	104,853,179	104,853,179

Investments

Section 605 (a) of Title VI contains a provision similar to that under Title II with respect to investment of moneys not needed for current operations by the purchase of United States Government securities or the retirement of debentures.

During the fiscal year 1952, excess funds not needed for current operations were used to retire $14,945,150 Series H 2½ percent War Housing Insurance Fund debentures, of which $10,856,950 were called for redemption, $2,613,550 were purchased from RFC, and $1,474,650 were redeemed in payment of mortgage insurance premiums.

During the fiscal year 1952, net redemptions of $4,700,000, principal amount, of United States Government securities decreased the investment in United States Government securities held by the fund as of June 30, 1952 to $75,900,000, principal amount. These transactions resulted in an increase in the average annual yield from 2.36 percent to 2.38 percent.

Investments of the War Housing Insurance Fund, June 30, 1952

Series	Interest rate (percent)	Purchase price	Par value	Book value (amortized)
1955	2	$600,000	$600,000	$600,000
1956	2	1,700,000	1,700,000	1,700,000
1966-71	2½	4,000,000	4,000,000	4,000,000
1967-72	2½	70,723,047	69,600,000	70,590,500
Average annual yield 2.38 percent		77,023,047	75,900,000	76,890,500

Properties Acquired under the Terms of Insurance

The Federal Housing Administration acquired title in 1952, under the terms of insurance, to 609 properties (836 units) insured under Section 603, and sold 691 properties (793 units). Through December 31, 1952, a total of 9,718 Section 603 properties (12,716 units) had been acquired at a cost of $54,821,345 (debentures and cash adjustments), and 8,609 properties (11,326 units) had been sold at prices which left a net charge against the fund of $2,770,468, or an average of $264 per case. There remained on hand for future disposition 1,109 properties having 1,390 living units.

During 1952, 28 rental housing projects (1,723 units) and 9 mortgage notes (1,282 units) insured under Section 608 were assigned to the FHA Commissioner under the terms of insurance, and 2 projects (28 units) were sold by the Commissioner. Through December 31, 1952, a total of 128 projects (7,814 units) and 76 mortgage notes (3,984 units) had been assigned to the Commissioner. Eleven projects (1,040 units) and 1 mortgage note (42 units) had been settled with no loss to the War Housing Insurance Fund, leaving 117 projects (6,774 units) and 75 mortgage notes (3,942 units) still held by the FHA.

No additional manufacturers' or purchasers' notes insured under Section 609 were assigned to the FHA Commissioner during the calendar year 1952. Through December 31, 1952, two manufacturers' notes and 64 discounted purchasers' notes had been assigned. All 64 discounted purchasers' notes and 1 manufacturer's note had been settled with a resultant loss to the fund of $413,761, leaving 1 manufacturer's note on hand at December 31, 1952.

STATEMENT 18.—*Statement of profit and loss on sale of acquired properties, War Housing Insurance Fund, through Dec. 31, 1952*

	Sec. 603 (8,609 properties)	Sec. 608 (11 projects and 1 mortgage note)	Sec. 609 [2] (65 notes)	Total Title VI (8,686 properties)
Proceeds of sales: [1]				
Sales price (or proceeds of mortgage notes)	$50,817,046	$4,188,696	$212,300	$55,218,042
Less commissions and other selling expenses	1,902,448	508		1,902,956
Net proceeds of sales	48,914,598	4,188,188	212,300	53,315,086
Income:				
Rental and other income (net)	4,321,641	403,445		4,725,086
Mortgage note income	4,347,640	151,033	28,260	4,526,933
Total income	8,669,281	554,478	28,260	9,252,019
Total proceeds of sold properties	57,583,879	4,742,666	240,560	62,567,105
Expenses:				
Debentures and cash adjustments	47,650,548	4,258,353	641,907	52,550,808
Purchase of land held under lease	17,304			17,304
Interest on debentures	5,388,168	217,613	12,414	5,618,195
Taxes and insurance	1,345,120	49,642		1,394,762
Repairs and improvements	1,620,242	16,509		1,636,751
Maintenance and operating expense	2,037,092	25,660		2,062,752
Miscellaneous expense	2,931	8,412		11,343
Total expenses	58,061,405	4,576,189	654,321	63,291,915
Net profit (or loss—) before distribution of liquidation profits	−477,526	166,477	−413,761	−724,810
Less distribution of liquidation profits:				
Certificates of claim	693,882	82,531		776,413
Increment on certificates of claim	75,073	3,969		79,042
Refunds to mortgagors	1,023,987			1,023,987
Loss to War Housing Insurance Fund	2,270,468	[3] −79,977	413,761	2,604,252
Average loss to War Housing Insurance Fund	264			

[1] Analysis of terms of sales:

Terms of sales	Number of properties	Number of notes	Cash	Mortgage notes	Sales price
Properties sold for all cash	2,122		$11,554,433		$11,554,433
Properties sold for cash and notes (or contracts for deed)	6,430	4,998	3,049,589	$39,144,225	42,193,814
Properties sold for notes only	134	9		1,469,795	1,469,795
Total	8,686	5,007	14,604,022	40,614,020	55,218,042

[2] Represents sixty-four (64) discounted purchasers' notes and one (1) manufacturer's note settled in full.
[3] Excess remaining to credit of War Housing Insurance Fund in accordance with the Act.

STATEMENT 19.—*Statement of properties on hand, War Housing Insurance Fund, as of Dec. 31, 1952*

	Sec. 603 1,109 properties (1,390 units)	Sec. 608 117 properties (6,774 units)	Sec. 608 75 mortgage notes[1] (3,942 units)	Sec. 609[2] 1 note (100 units)	Total 1,226 properties 76 notes (12,206 units)
Expenses:					
Acquisition costs	$7, 182, 733	$46, 183, 878	$28, 775, 206	$473, 900	$82, 615, 717
Interest on debentures	381, 801	2, 788, 889	1, 202, 994	9, 851	4, 383, 535
Taxes and insurance	249, 964	1, 619, 815			1, 869, 779
Repairs and improvements	195, 574	764, 191			959, 765
Maintenance and operating	251, 037	2, 269, 537			2, 520, 574
Miscellaneous	565	63, 960	4, 716		69, 241
Total expenses	8, 261, 674	53, 690, 270	29, 982, 916	483, 751	92, 418, 611
Income and recoveries:					
Rental and other income (net)	611, 901	6, 014, 947	1, 426, 095		8, 052, 943
Collections on mortgage notes			307, 857	58, 500	366, 357
Total income and recoveries	611, 901	6, 014, 947	1, 733, 952	58, 500	8, 419, 300
Net cost of properties on hand	7, 649, 773	47, 675, 323	28, 248, 964	425, 251	83, 999, 311

[1] Acquired in exchange for debentures.
[2] Manufacturer's note acquired in exchange for debentures.

The turnover of Section 603 and 608 properties acquired and sold, by calendar year, is given below:

STATEMENT 20.—*Turnover of properties acquired and mortgage notes assigned under Section 603 of Title VI, through Dec. 31, 1952*

Properties acquired: Year	Number	Properties sold, by calendar years: 1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	Properties on hand Dec. 31, 1952
1943	498	29	220	110	139							
1944	2, 542		36	685	1, 178	386	140	87	17	7	6	
1945	2, 062			187	1, 050	317	350	139	6	8	5	
1946	998				431	302	210	43	11	1		
1947	16					5	9	1		1		
1948	116						23	21	65	1	4	2
1949	507							93	243	74	28	69
1950	1, 635								421	431	246	537
1951	735									441	193	101
1952	609										209	400
Total	9, 718	29	256	982	2, 798	1, 010	732	384	763	964	691	1, 109

NOTES.—On the 8,609 properties sold, the average time between acquisition and sale by the Federal Housing Administration was 16 months.

The number of properties sold has been reduced by 7 properties repossessed because of default on mortgage notes of which 5 had been resold at Dec. 31, 1952

STATEMENT 21.—*Turnover of properties acquired and mortgage notes assigned under Section 608 of Title VI, through Dec. 31, 1952*

Properties and notes acquired		Properties and notes sold, by calendar years										Properties and notes on hand Dec. 31, 1952
Year	Number	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	
1943	1			1								
1944	1		1									
1945												
1946	1											1
1947												
1948												
1949	16											16
1950	66									7	2	57
1951	82									1		81
1952	37											37
Total	204		1	1						8	2	192

Certificates of Claim and Refunds to Mortgagors

Section 604 (f) of the Act provides that if the net amount realized from any property conveyed to the Commissioner under Section 603, after deducting all expenses incurred in handling, dealing with, and disposing of such property, exceeds the face value of the debentures issued and the cash paid in exchange for such property plus all interest paid on such debentures, such excess shall be applied to the certificate of claim issued to the mortgagee and any excess remaining after paying the certificate of claim and increment thereon shall be refunded to the mortgagor.

Certificates of claim in the total amount of $1,571,526 had been issued through 1952 in connection with the 8,609 properties which had been acquired and subsequently sold. The proceeds of sale were sufficient to provide for payment in full or in part on these certificates in the amount of $693,882, or approximately 44 percent. Certificates of claim canceled or to be canceled amounted to $877,644, or approximately 56 percent. In addition, the proceeds of sale were sufficient to pay refunds of $1,023,988 to 3,346 mortgagors, or an average of $306 per case.

With respect to the excess proceeds, if any, from the sale of an acquired project insured under Section 608, the Act provides that any amount remaining after the payment of the certificate of claim shall be credited to the War Housing Insurance Fund.

Certificates of claim totaling $83,456 had been issued in connection with the 12 Section 608 acquisitions which had been disposed of by December 31, 1952. The proceeds of sale were sufficient to provide $82,531 for payment in full or in part on these certificates. Certificates of claim canceled or to be canceled amounted to $925. Excess proceeds of $79,977 had been credited to the fund, as provided in the Act.

Title VII: Housing Investment Insurance Fund

The Housing Investment Insurance Fund was created by Section 710 of the National Housing Act as amended August 10, 1948 (Housing Act of 1948, Public Law 901, 80th Cong.), which provides that this fund shall be used by the FHA Commissioner as a revolving fund for carrying out the rental housing yield insurance program authorized by Title VII and for administrative expenses in connection therewith.

Section 710 further provides that the Secretary of the Treasury shall make available to the Commissioner such funds as the Commissioner may deem necessary, but not to exceed $10,000,000, which amount is authorized to be appropriated out of any money in the Treasury not otherwise appropriated.

One million dollars has been allocated to the fund by the Secretary of the Treasury pursuant to the request of the Federal Housing Commissioner, and the remaining $9,000,000 is being retained in the United States Treasury. Up to December 31, 1952, no applications for insurance under Title VII had been submitted.

The Act provides that the aggregate amount of contingent liabilities outstanding at any one time under insurance contracts and commitments to insure made pursuant to Title VII shall not exceed $100,000,000. The insurance authorization was reduced from $1,000,000,000 to $100,000,000 during 1952 in accordance with Section 217 of the Act as amended July 14, 1952.

Status of Title VII insurance authority as of Dec. 31, 1952

Insurance authority		$100, 000, 000
Charges against insurance authority:		
Mortgages insured	------------	
Commitments for insurance	------------	
Total charges against authority		------------
Unused insurance authority		100, 000, 000

Housing Investment Insurance Fund Capital and Net Income

Assets of the Housing Investment Insurance Fund at June 30, 1952 totaled $988,344, and since there were no outstanding liabilities the capital also amounted to $988,344. The capital includes $1,000,000 transferred from the United States Treasury in accordance with Section 710 of the Act and an operating deficit of $11,656.

STATEMENT 22.—*Comparative statement of financial condition, Housing Investment Insurance Fund, as of June 30, 1951 and June 30, 1952*

	June 30, 1951	June 30, 1952	Increase or decrease (−)
ASSETS			
Cash with U. S. Treasury	$260,995	$184,845	−$76,150
Investments: U. S. Government securities (amortized)	704,807	802,043	97,236
Accounts and notes receivable: Accounts receivable—Inter-fund	3,661	−2	−3,663
Accrued assets: Interest on U. S. Government securities	729	1,458	729
Total assets	970,192	988,344	18,152
CAPITAL			
Investment of the U. S. Government: Allocations from the U. S. Treasury	1,000,000	1,000,000	
Earned surplus (deficit −): Insurance reserve fund (cumulative earnings or deficit −) available for future losses and related expenses	−29,808	−11,656	18,152
Total capital	970,192	988,344	18,152

The total income for fiscal year 1952 was $19,639, consisting entirely of interest on United States Government securities, while expenses amounted to $3,090, resulting in a net income for the year of $16,549. The cumulative income of the Housing Investment Insurance Fund from August 10, 1948 to June 30, 1952 amounted to $28,330, while cumulative expenses amounted to $39,986, resulting in a net deficit to the fund of $11,656.

STATEMENT 23.—*Income and expenses, Housing Investment Insurance Fund, through June 30, 1951, and June 30, 1952*

	Aug. 10, 1948, to June 30, 1951	July 1, 1951, to June 30, 1952	Aug. 10, 1948, to June 30, 1952
Income:			
Interest and dividends: Interest on U. S. Government securities	$8,691	$19,639	$28,330
Total income	8,691	19,639	28,330
Expenses:			
Administrative expenses: Operating costs	38,334	3,074	39,805
Other expenses: Depreciation on furniture and equipment	171	16	187
Losses and charge-offs: Loss (or profit −) on equipment	−6		−6
Total expenses	38,499	3,090	39,986
Net income (or loss −)	−29,808	16,549	−11,656

ANALYSIS OF EARNED SURPLUS (OR DEFICIT —)

Distribution of net income:			
Earned surplus (or deficit −):			
Balance at beginning of period		−29,808	
Adjustments during the period		1,603	
Net income (or loss −) for the period	−29,808	16,549	−11,656
Balance at end of period	−29,808	−11,656	−11,656

Investments

Section 710 of the Act provides that moneys in the Housing Investment Insurance Fund not needed for current operations shall be deposited with the Treasurer of the United States to the credit of the fund, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed by the United States; or the Commissioner may, with the approval of the Secretary of the Treasury, purchase debentures issued under this fund, provided that such purchases are made at a price which will produce an investment yield of not less than the yield obtainable from other authorized investments. During the fiscal year 1952, $100,000 (principal amount) of United States Treasury bonds, Series 1965–70, were purchased for the account of this fund. At June 30, 1952, the fund held $800,000, principal amount, of United States Government securities, as follows:

Investments of the Housing Investment Insurance Fund, June 30, 1952

Series	Interest rate (percent)	Purchase price	Par value	Book value (amortized)
1965–70	2½	$97,375	$100,000	$97,477
1967–72	2½	704,922	700,000	704,566
Average annual yield 2.48 percent		802,297	800,000	802,043

Title VIII: Military Housing Insurance Fund

An amendment to the National Housing Act approved August 8, 1949 (Public Law 211, 81st Cong.), created the Military Housing Insurance Fund to be used by the FHA Commissioner as a revolving fund for carrying out the provisions of Title VIII of the Act, which provides for the insurance of military housing mortgages. For the purposes of this fund, the Act authorized to be appropriated the sum of $10,000,000, of which $5,000,000 was made available by the Supplemental Appropriation Act, 1950 (Public Law 358, 81st Cong.).

This is not a mutual fund, and any balance remaining in the fund after all Title VIII expenses and insurance claims have been met will revert to the general fund of the Treasury.

Title VIII Insurance Authority

Section 803 (a) of the National Housing Act provided that the aggregate amount of principal obligations of all mortgages insured under Title VIII should not exceed $500,000,000, except that with the approval of the President such amount could be increased to $1,000,000,000. The President increased the authorization from $500,000,000 to $700,000,000 on October 16, 1951.

The status of the Title VIII insurance authority at December 31, 1952, was calculated as follows:

Status of Title VIII insurance authority as of Dec. 31, 1952

Insurance authority		$700,000,000
Charges against insurance authority:		
Mortgages insured	$476,617,096	
Commitments for insurance [1]	97,882,248	
Total charges against authority		574,499,344
Unused insurance authority		125,500,656

[1] Commitments include statements of eligibility.

Investments

Section 804 (a) of the Act provides that moneys not needed for current operations shall be deposited with the Treasurer of the United States to the credit of the fund, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by the United States, or, with the approval of the Secretary of the Treasury, used to purchase debentures issued under this title. During the fiscal year 1952, $2,250,000 (principal amount) of United States Government securities were purchased for the account of this fund. These transactions resulted in an increase in the average annual yield from 2.39 percent to 2.46 percent. On June 30, 1952, the fund held United States Government securities in the principal amount of $9,450,000, as follows:

Investments of the Military Housing Insurance Fund, June 30, 1952

Series	Interest rate (percent)	Purchase price	Par value	Book value (amortized)
1964-69	2½	$1,511,820	$1,550,000	$1,513,177
1965-70	2½	96,891	100,000	96,970
1966-71	2½	484,453	500,000	484,977
1967-72	2½	7,411,828	7,300,000	7,397,428
Average annual yield 2.46 percent		9,504,992	9,450,000	9,492,552

Military Housing Insurance Fund Capital and Net Income

As of June 30, 1952, the assets of the Military Housing Insurance Fund totaled $10,712,529, against which there were outstanding liabilities of $1,196,759, leaving $9,515,770 capital. Included in capital is $5,000,000 allocated from the United States Treasury and $4,515,770 earned surplus.

STATEMENT 24.—*Comparative statement of financial condition, Military Housing Insurance Fund, as of June 30, 1951, and June 30, 1952*

	June 30, 1951	June 30, 1952	Increase or decrease (—)
ASSETS			
Cash with U. S. Treasury	$1,126,847	$1,184,647	$57,800
Investments:			
U. S Government securities (amortized)	7,307,014	9,492,552	2,185,538
Other securities (stock in rental housing corporations)	6,800	12,900	6,100
Total investments	7,313,814	9,505,452	2,191,638
Accounts and notes receivable: Accounts receivable—Insurance premiums	43,068	8,836	—34,232
Accrued assets: Interest on U. S. Government securities	9,375	13,594	4,219
Total assets	8,493,104	10,712,529	2,219,425
LIABILITIES			
Accounts payable:			
Bills payable to vendors and Government agencies	292,856		—292,856
Inter-fund	91,332	6,291	—85,041
Total accounts payable	384,188	6,291	—377,897
Deferred and undistributed credits:			
Unearned insurance premiums	680,363	1,127,528	447,165
Unearned insurance fees	28,092	62,940	34,848
Total deferred and undistributed credits	708,455	1,190,468	482,013
Total liabilities	1,092,643	1,196,759	104,116
CAPITAL			
Investment of the U. S. Government: Allocations from the U. S. Treasury	5,000,000	5,000,000	
Earned surplus: Insurance reserve fund (cumulative earnings) available for future losses and related expenses	2,400,461	4,515,770	2,115,309
Total capital	7,400,461	9,515,770	2,115,309
Total liabilities and capital	8,493,104	10,712,529	2,219,425

Total income of the Military Housing Insurance Fund during the fiscal year 1952 amounted to $3,321,954, while expenses and losses amounted to $1,125,303, leaving a net income of $2,196,651. The cumulative income of the fund from August 8, 1949 to June 30, 1952, amounted to $6,561,078, while cumulative expenses totaled $2,045,308, resulting in a cumulative net income of $4,515,770.

STATEMENT 25.—*Income and expenses, Military Housing Insurance Fund, through June 30, 1951, and June 30, 1952*

	Aug. 8, 1949 to June 30, 1951	July 1, 1951 to June 30, 1952	Aug. 8, 1949 to June 30, 1952
Income:			
Interest and dividends:			
Interest on U. S. Government securities	$169, 222	$209, 945	$379, 167
Dividends on rental housing stock		45	45
	169, 222	209, 990	379, 212
Insurance premiums and fees:			
Premiums	818, 905	1, 677, 689	2, 496, 594
Fees	2, 250, 997	1, 434, 275	3, 685, 272
	3, 069, 902	3, 111, 964	6, 181, 866
Total income	3, 239, 124	3, 321, 954	6, 561, 078
Expenses:			
Administrative expenses: Operating costs	835, 145	1, 119, 324	2, 035, 811
Other expenses: Depreciation on furniture and equipment	3, 908	6, 063	9, 971
Losses and charge-offs: Loss (or profit −) on equipment	−390	−84	−474
Total expenses	838, 663	1, 125, 303	2, 045, 308
Net income	2, 400, 461	2, 196, 651	4, 515, 770

ANALYSIS OF EARNED SURPLUS

Distribution of net income:			
Earned surplus:			
Balance at beginning of period		$2, 400, 461	
Adjustments during the period		−81, 342	
Net income for the period	$2, 400, 461	2, 196, 651	$4, 515, 770
Balance at end of period	2, 400, 461	4, 515, 770	4, 515, 770

Title IX: National Defense Housing Insurance Fund

The National Defense Housing Insurance Fund was created by Section 902 of the National Housing Act as amended September 1, 1951 (Defense Housing and Community Facilities and Services Act of 1951, Public Law 139, 82d Cong.), which provides that this fund shall be used by the Commissioner as a revolving fund for carrying out the provisions of Title IX of the Act. This title provides for the insurance of mortgages in areas which the President shall have determined to be critical defense housing areas. To accomplish this purpose, the Act authorized the Commissioner to transfer from the War Housing Insurance Fund the sum of $10,000,000 and at December 31, 1952, $1,000,000 of this amount had been transferred.

Title IX Insurance Authority

Section 217 of the National Housing Act, which was added by Public Law 139, 82d Congress, approved September 1, 1951, and which was amended July 14, 1952, provides that the aggregate dollar amount of mortgages insured under Title IX shall be prescribed by the President. Section 217 further provides that the President may increase the aggregate insurance authorization of any other title of the National Housing Act (except Title I, Sec. 2), with the limitation that the dollar amount of the insurance authorization prescribed by the President at any time with respect to any provisions of Title VI shall not be greater than authorized by provisions of that title; and that the aggregate dollar amount of the mortgage insurance authorization prescribed by the President with respect to Title IX, plus the aggregate dollar amount of all increases in insurance authorizations under other titles of the Act, less the aggregate dollar amount of all decreases in insurance authorizations prescribed by the President pursuant to authority contained in Section 217, shall not exceed $1,900,000,000. The insurance authorization under Title IX was increased from $500,000,000 to $900,000,000 during 1952.

The status of the Title IX insurance authority at December 31, 1952, was calculated as follows:

Status of Title IX insurance authority as of Dec. 31, 1952

Insurance authority		$900, 000, 000
Charges against insurance authority:		
Mortgages insured	$130, 720, 800	
Commitments for insurance	202, 440, 568	
Total charges against authority		333, 161, 368
Unused insurance authority		566, 838, 632

National Defense Housing Insurance Fund Capital and Net Income

As of June 30, 1952, the assets of the National Defense Housing Insurance Fund totaled $1,709,302, against which there were outstanding liabilities of $708,235, leaving $1,001,067 capital. Included in the capital is $1,000,000 transferred from the War Housing Insurance Fund in accordance with Section 902 of the Act, and earned surplus of $1,067.

STATEMENT 26.—*Comparative statement of financial condition, National Defense Housing Insurance Fund, as of June 30, 1951, and June 30, 1952*

	June 30, 1951	June 30, 1952	Increase or decrease (−)
ASSETS			
Cash with U. S. Treasury		$1,708,402	$1,708,402
Investments:			
Other securities (stock in rental housing corporations)		900	900
Total assets		1,709,302	1,709,302
LIABILITIES			
Accounts payable: Inter-fund		6,357	6,357
Trust and deposit liabilities: Fee deposits held for future disposition		556,402	556,402
Deferred and undistributed credits:			
Unearned insurance premiums		88,507	88,507
Unearned insurance fees		56,969	56,969
Total deferred and undistributed credits		145,476	145,476
Total liabilities		708,235	708,235
CAPITAL			
Investment of the U. S. Government:			
Allocation to National Defense Housing Insurance Fund from insurance reserve fund of the War Housing Insurance Fund		1,000,000	1,000,000
Earned surplus:			
Insurance reserve fund (cumulative earnings) available for future losses and related expenses		1,067	1,067
Total capital		1,001,067	1,001,067
Total liabilities and capital		1,709,302	1,709,302

From the establishment of the fund September 1, 1951, to June 30, 1952, the income amounted to $562,424, while expenses and losses were $561,357, leaving net income to the fund of $1,067.

STATEMENT 27.—*Income and expenses, National Defense Housing Insurance Fund, from inception, Sept. 1, 1951, through June 30, 1952*

	Sept. 1, 1951 to June 30, 1952
Income:	
Insurance premiums and fees:	
Premiums	$18,169
Fees	544,255
Total income	562,424
Expenses:	
Administrative expenses: Operating costs	558,369
Other expenses: Depreciation on furniture and equipment	3,031
Losses and charge-offs: Loss (or profit −) on equipment	−43
Total expenses	561,357
Net income	1,067

ANALYSIS OF EARNED SURPLUS

Distribution of net income:	
Earned surplus:	
Balance at beginning of period	
Adjustments during the period	
Net income for the period	1,067
Balance at end of period	1,067

Administrative Expense Account

A separate account, entitled Salaries and Expenses, Federal Housing Administration, is maintained for the purpose of handling all transactions with respect to the payment of salaries and other expenses involved in operating the FHA. Moneys for such expenses and for the purchase of furniture and equipment required in the operations of the FHA are allocated to this fund and all disbursements for these purposes are made from it. Until the income of the insurance funds was sufficient to cover salaries and expenses, allocations were made to this account from the United States Treasury through the RFC in accordance with provisions contained in the National Housing Act and subsequent appropriation acts. Since July 1, 1937, a portion of the allocations, and since July 1, 1940, all allocations to salaries and expenses have been made from the various FHA insurance funds.

STATEMENT 28.—*Comparative statement of financial condition, Administrative Expense Account (salaries and expenses), as of June 30, 1951 and June 30, 1952*

	June 30, 1951	June 30, 1952	Increase or decrease (—)
ASSETS			
Cash with U. S. Treasury	$3,760,089	$2,966,205	−$793,884
Accounts and notes receivable: Accounts receivable—Other	145,673	105,078	−40,595
Land, structures, and equipment:			
Furniture and equipment	2,080,441	[1] 2,104,160	23,719
Less reserve for depreciation	969,367	1,060,328	90,961
Net furniture and equipment	1,111,074	1,043,832	−67,242
Total assets	5,016,836	4,115,115	−901,721
LIABILITIES			
Accounts payable:			
Bills payable to vendors and Government agencies	1,966,058	[2] 2,377,697	411,639
Inter-fund	1,870,566	798,570	−1,071,996
Total accounts payable	3,836,624	3,176,267	−660,357
Trust and deposit liabilities:			
Due general fund of the U. S. Treasury	5,185	21,588	16,403
Employees' payroll deductions for taxes, etc	1,175,027	917,260	−257,767
Total trust and deposit liabilities	1,180,212	938,848	−241,364
Total liabilities	5,016,836	4,115,115	−901,721

[1] Excludes unfilled orders in the amount of $17,569.
[2] Excludes unfilled orders in the amount of $193,770.

PART IV

OF THE

Sixth Annual Report

HOUSING AND HOME FINANCE AGENCY

Covering the Activities of the

PUBLIC HOUSING ADMINISTRATION

LETTER OF TRANSMITTAL

Honorable ALBERT M. COLE,
Administrator, Housing and Home Finance Agency,
Washington, D. C.

DEAR MR. COLE: I am submitting herewith the annual report of the Public Housing Administration for the year ended December 31, 1952.

Sincerely yours,

JOHN TAYLOR EGAN,
Commissioner.

Enclosure.

INTRODUCTORY STATEMENT

The Public Housing Administration (PHA) was established as a constituent agency of the Housing and Home Finance Agency by the President's Reorganization Plan No. 3 of 1947, effective July 27, 1947. PHA is headed by a Public Housing Commissioner appointed by the President by and with the advice and consent of the Senate.

Of the two major programs administered by PHA, one, the low-rent public housing program is a direct responsibility of the Public Housing Commissioner, while the other, the public war-housing program, is a responsibility delegated to the Public Housing Commissioner by the Housing and Home Finance Administrator.

Historically, PHA is a successor agency to the United States Housing Authority (USHA), which was established by the United States Housing Act of 1937 to administer the low-rent public housing program established by that Act. In 1942, the responsibilities of USHA were taken over by a newly created Federal Public Housing Authority (FPHA), which was established as a constituent agency of the National Housing Administration and which continued in existence until 1947 when PHA was established.

Chapter I

THE LOW-RENT PUBLIC HOUSING PROGRAM

A. How the Low-Rent Program Works

The low-rent public housing program was originally authorized by the United States Housing Act of 1937 (P. L. 412, 75th Cong.), which authorized Federal financial assistance to local communities "to remedy the unsafe and insanitary housing conditions and the acute shortage of decent, safe, and sanitary dwellings for families of low income. . . ." This law was amended by the Housing Act of 1949 (P. L. 171, 81st Cong.) to perfect its details and to increase the amount of Federal assistance available.

The low-rent public housing program is a three-way endeavor—Federal, State, and local. It can be undertaken in any locality which, pursuant to State enabling legislation, has established a local housing authority with power to develop, own, and operate public housing projects. Forty-three States, the District of Columbia, Alaska, Hawaii, Puerto Rico, and the Virgin Islands have such enabling laws in effect, and nearly 1,000 such local housing authorities are now doing business with PHA.

The low-rent public housing program in a community must be initiated locally. The local housing authority must first make sure there is a need in the locality for low-rent housing and demonstrate that the need is not being met by private enterprise. It may then apply to PHA for a program reservation, which is a statement of PHA's intention to reserve funds sufficient to provide financial aid for the development and operation of a specific number of low-rent dwellings.

PHA is authorized to lend to the local housing authority funds to cover its preliminary planning work. The application for such a preliminary loan must be approved by the local governing body of the community in which the housing is to be developed. In addition, specific authorization of the President must be obtained before a preliminary loan contract is entered into by PHA. From the date of enactment of the Housing Act of 1949 to the end of 1952, the President had authorized PHA to enter into preliminary loan contracts with local housing authorities to cover the planning of 353,315 low-rent homes in 1,091 localities (excluding contracts not actually executed, or executed and later canceled).

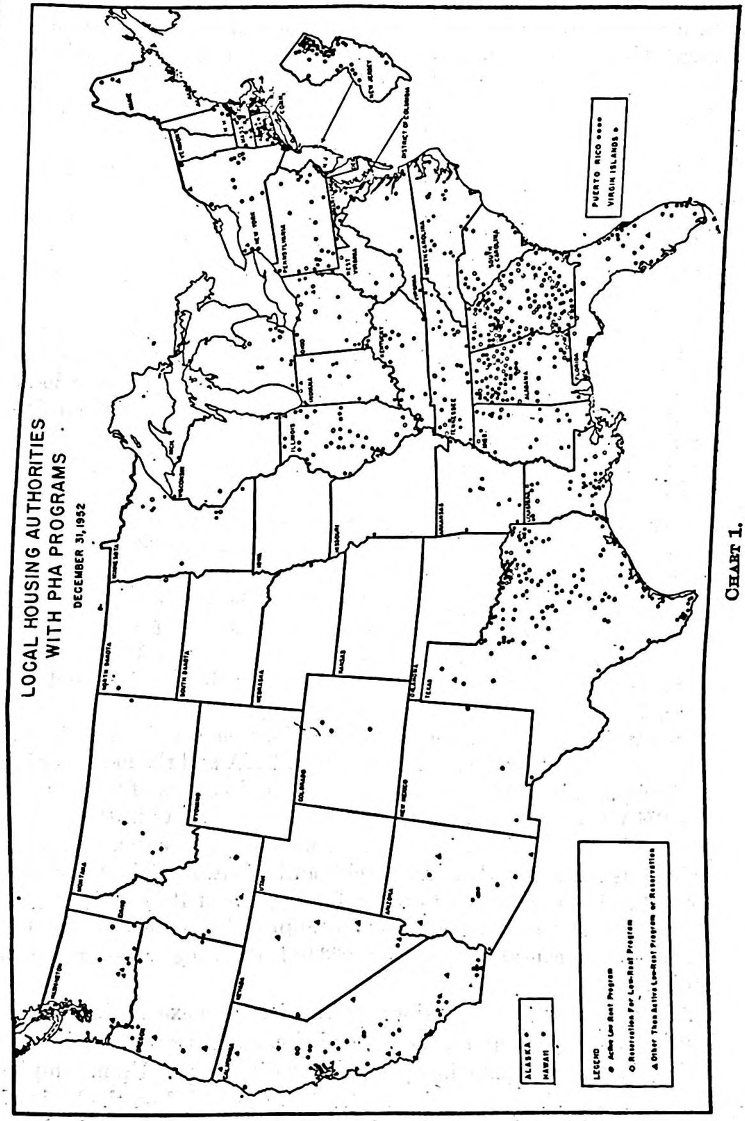
LOCAL HOUSING AUTHORITIES
WITH PHA PROGRAMS
DECEMBER 31, 1952
PUERTO RICO
VIRGIN ISLANDS
ALASKA
HAWAII
LEGEND
● Active Low-Rent Program
○ Reservation For Low-Rent Program
▲ Other Than Active Low-Rent Program or Reservation

CHART 1.

Before any financial assistance is extended by the Federal Government, the local governing body must enter into an agreement with the local housing authority providing local cooperation for the undertaking. This cooperation agreement recites the tax exemption provided to the local housing authority by State law and sets forth the agreement of the municipality not to impose any taxes. The local housing authority, on the other hand, agrees to make annual payments, in lieu of taxes, for the public services and facilities furnished by the municipality. Provision is made that these payments shall not exceed 10 percent of shelter rents. The municipality further agrees to furnish to the local housing authority and its tenants public services and facilities of the same character as are furnished elsewhere in the community, to vacate and turn over to the local housing authority streets and other public areas needed for the development of the low-rent housing, to make reasonable and necessary changes in building codes and zoning regulations, and generally to cooperate with the local housing authority in connection with the development and administration of the low-rent housing.

After receiving an allocation of units and a preliminary planning loan (if one has been requested), the local housing authority picks a site for its project, has it appraised, and engages architects and engineers. It then prepares a development program, containing details about the site, sketch plans, and an estimate of total cost. The development program is submitted to PHA as the basis for a contract, called an annual contributions contract, which provides (1) for the liquidation of the preliminary loan contract, if any, (2) for Federal loans to be used in acquiring the site and building the housing, and (3) for a Federal subsidy to be made annually to insure the housing's low-rent character. The annual contributions contract is the definitive document governing the relations between PHA and the local housing authority. It includes all the mandatory requirements of the law and the PHA requirements adopted pursuant thereto. As in the case of preliminary loan contracts, PHA may not enter into any annual contributions contract without the specific authorization of the President. From the date of enactment of the Housing Act of 1949 to the end of 1952, PHA had received Presidential approval to enter into annual contributions contracts covering 233,984 dwelling units in 1443 projects.

After the annual contributions contract has been executed, the local housing authority acquires the selected site, and directs its architects and engineers to prepare final plans and specifications. Upon completion of plans main construction contracts are awarded on the basis of open competitive bidding. The law requires PHA approval of the amount of main construction contract awards and the annual contri-

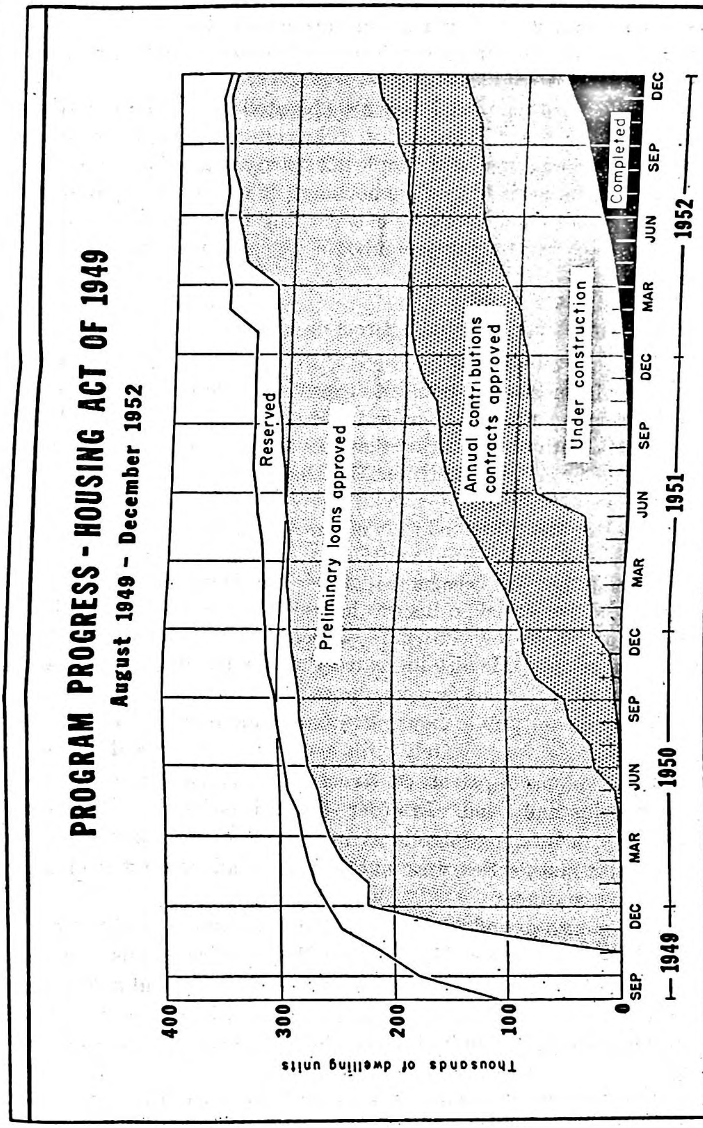
PROGRAM PROGRESS - HOUSING ACT OF 1949
August 1949 - December 1952
Thousands of dwelling units
400
300
200
100
0
Reserved
Preliminary loans approved
Annual contributions contracts approved
Under construction
Completed
SEP
DEC
MAR
JUN
SEP
DEC
MAR
JUN
SEP
DEC
MAR
JUN
SEP
DEC
1949
1950
1951
1952

CHART 2.

butions contract provides that such awards shall be made to the lowest responsible bidders. From the date of enactment of the Housing Act of 1949 to January 2, 1953, PHA had authorized the award of construction contracts covering 160,135 units in more than a thousand projects.

After projects are completed they are operated by full or part-time staffs employed by the local authority. The achievement of low maintenance costs through the use of simple but sturdy materials and equipment is a prime objective in public housing. The cost of repairs and maintenance is also kept down by encouraging tenant cooperation in such things as caring for the grounds, interior painting, and making minor repairs.

B. Congressional Limitation on Construction Starts

The Housing Act of 1949 gave PHA the power to authorize commencement of construction of not to exceed 135,000 units of low-rent public housing during each 12-month period between July 1, 1949 and June 30, 1955, with the condition that this limit could be increased or decreased, under certain conditions, by the President.

On July 18, 1950, less than a month after the start of hostilities in Korea, the President directed that no more than 30,000 units of low-rent public housing be placed under construction during the 6-month period from July 1 to December 31, 1950. This cutback, the President explained, was essential to insure that sufficient materials and labor would be available for vital defense needs and to help curb inflationary tendencies. He also indicated that the program would be revised from time to time in accordance with current defense needs. The limitation on public housing was accompanied by restrictions imposed on credit for privately built housing which were designed to cut back the volume of private construction. PHA acted immediately to enforce this limitation. In order to avoid useless bidding on the part of contractors, a control was instituted at the point at which local housing authorities were authorized to advertise for bids on construction contracts.

In the 6-month period, 28,656 units were put under construction in 128 projects in 25 States, Hawaii, and Puerto Rico. Bids had been opened but contract awards were still pending at the end of the year for 7,200 other units. In addition, PHA had withheld approval of awards covering 6,000 units because the bids were deemed to be too high.

During the following 6-month period (January 1–June 30, 1951), no limitation was set by the President on the construction of low-rent public housing and 59,703 units were placed under construction.

In August of 1951, the Congress, in the Independent Offices Appropriation Act, 1952, limited to 50,000 the number of dwelling units (initiated after March 1, 1949) for which PHA could authorize the commencement of construction during the fiscal year beginning July 1, 1951.

It had become apparent by this time that the "tooling up" period for developing housing under the Housing Act of 1949 was over and that local housing authorities were prepared to place under construction much in excess of the number of units permitted by the Appropriation Act. PHA again set up a system of allocations, under which authorizations to proceed with construction would be limited to 50,000 units for the period and which would prevent local housing authorities from taking bids without being able to secure authorization to proceed with construction. As a result of the application of this system, 49,999 units initiated after March 1, 1949, were authorized to commence construction during the fiscal year.

In July of 1952 the congressional limitation on construction starts was re-enacted in the reduced number of 35,000 units for the 12-month period beginning July 1, 1952. Pursuant to this legislation, a new system of allocations was set up by PHA, which was similar in most respects to that used previously. Under this system 13,782 units initiated after March 1, 1949, were authorized for commencement of construction during the last 6 months of the calendar year 1952, and as of February 27, 1953, substantially all of the remaining 21,218 units permitted by the law had either been authorized for construction or were out for bids.

The legislation limiting construction authorizations to 35,000 units also contained the following provision:

> . . . The Public Housing Administration shall not, with respect to projects initiated after March 1, 1949, . . . after the date of approval of this Act, enter into any agreement, contract, or other arrangement which will bind the Public Housing Administration with respect to loans, annual contributions, or authorizations for commencement of construction, for dwelling units aggregating in excess of thirty-five thousand to be authorized for commencement of construction during any one fiscal year subsequent to the fiscal year 1953, unless a greater number of units is hereafter authorized by the Congress.

Pursuant to this provision, PHA limited the number of annual contributions contracts to be entered into during fiscal 1953 to not more than 35,000 units. During the first 6 months of the fiscal year, PHA was authorized by the President to enter into contracts covering 31,815 units. In addition, because of the substantial number of program reservations and preliminary loan contracts outstanding no new reservations were made after passage of the legislation (July 5, 1952) except for a very limited number of cases which were then pending approval.

C. Construction and Slum Clearance Experience During 1952

Generally, competition for construction work was satisfactory during 1952. For the complete construction of a project the number of bids received ranged as a rule from 4 to 10; when the work was divided for bidding purposes, by trades or otherwise, the number was sometimes much higher. Because of this competition, construction costs had a tendency to go down or level off in most areas.

There was also some improvement in the materials situation. When the Controlled Materials Plan first went into effect during the summer of 1951, some contractors were unable to secure necessary supplies. Beginning early in 1952, adequate procedures were devised for obtaining necessary allocations from the National Production Authority and allocating the materials to the projects. Contractors then knew what to expect, and there was a significant improvement in construction activities. The steel strike in October 1952 seriously delayed delivery of steel products for some time; otherwise, however, essential

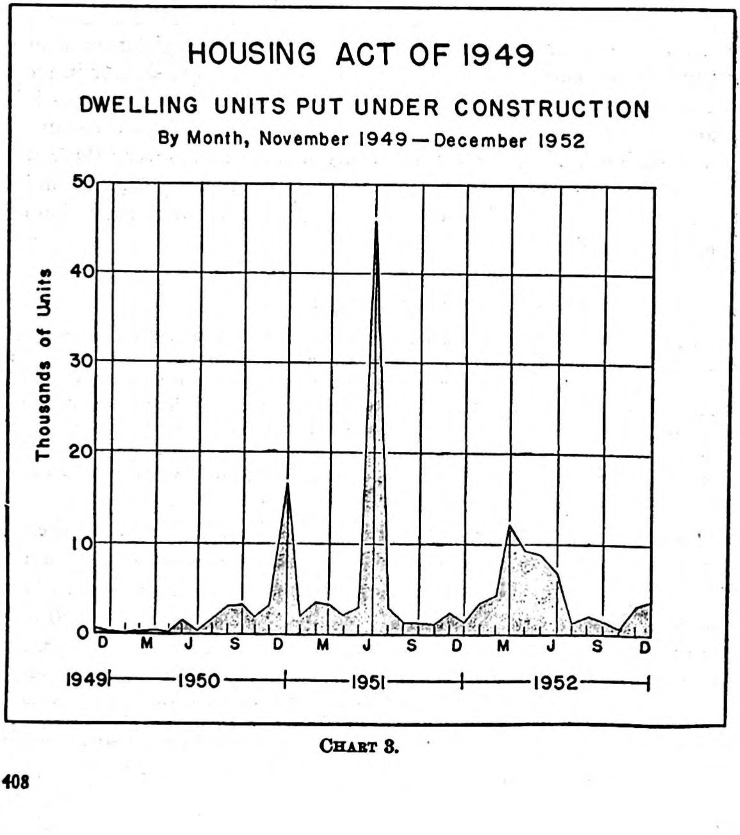

CHART 8.

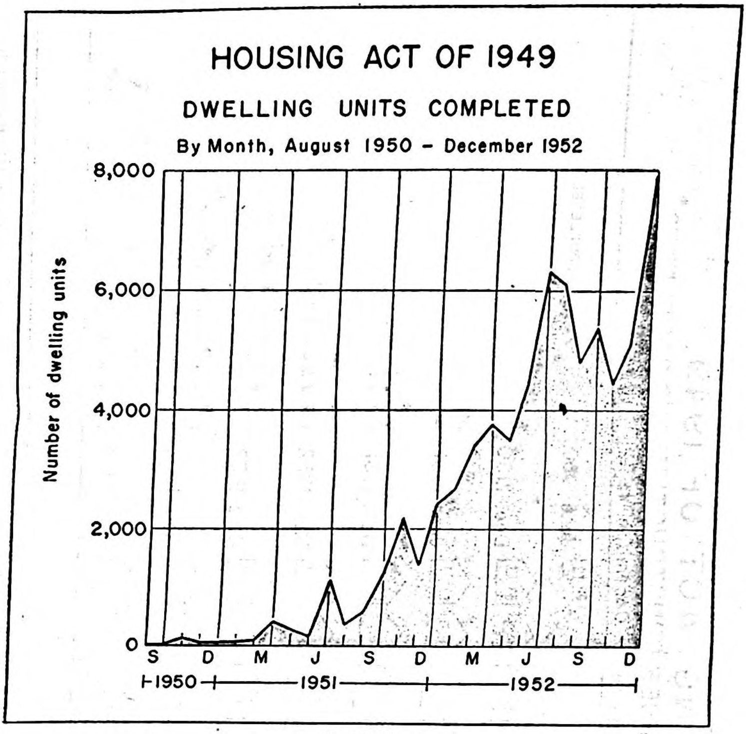

CHART 4.

materials became more plentiful during the year and controls were relaxed somewhat by the Government. By the end of 1952, PHA encountered little difficulty in obtaining and allocating controlled materials to the jobs under way.

A majority of the housing being developed in the low-rent housing program is built on slum sites. Such sites are normally more expensive than vacant land would be, if available, and this increased cost, of course, is reflected in the total development costs of the projects. In addition development costs include the costs of acquiring the old slum buildings on these sites and of their demolition. Including these costs of land and slum clearance, as well as planning costs and local housing authority overhead expenses during the development period, development cost of PL–171 projects placed under construction by December 31, 1952, averaged $10,321. In addition, an allowance for contingencies of not over 5 percent (or such lesser percent as may be approved by PHA) is included in project budgets to cover necessary extras and changes.

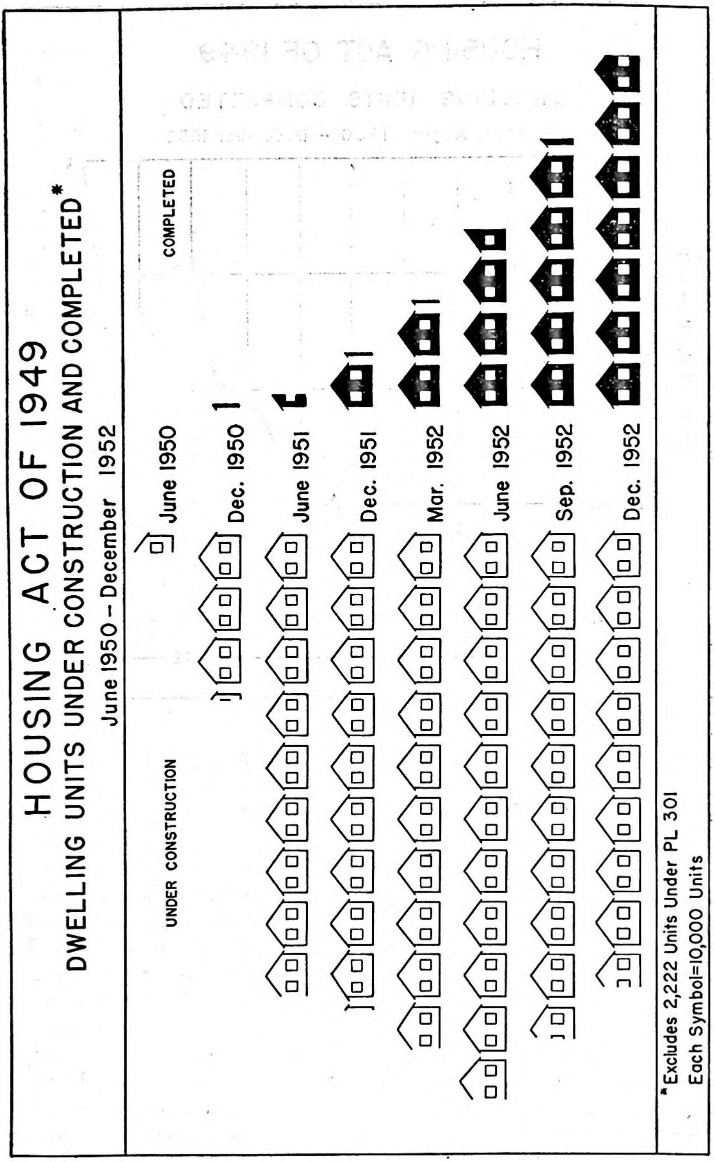
HOUSING ACT OF 1949
DWELLING UNITS UNDER CONSTRUCTION AND COMPLETED*
June 1950 – December 1952
UNDER CONSTRUCTION
COMPLETED
June 1950
Dec. 1950
June 1951
Dec. 1951
Mar. 1952
June 1952
Sep. 1952
Dec. 1952
*Excludes 2,222 Units Under PL 301
Each Symbol=10,000 Units

Chart 5.

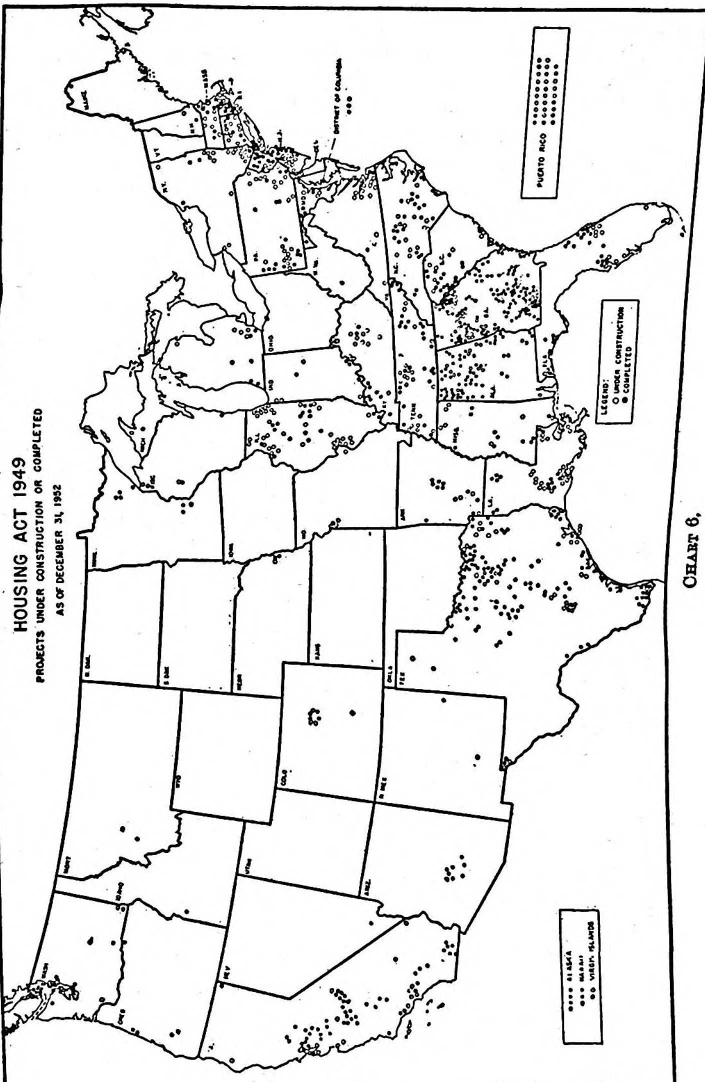
HOUSING ACT 1949
PROJECTS UNDER CONSTRUCTION OR COMPLETED
AS OF DECEMBER 31, 1952
DISTRICT OF COLUMBIA
PUERTO RICO
LEGEND:
UNDER CONSTRUCTION
COMPLETED
ALASKA
HAWAII
VIRGIN ISLANDS

CHART 6.

In respect to low-rent public housing other than that developed on slum sites or in rural nonfarm areas, the law requires slum clearance through the elimination of unsafe or insanitary dwelling units in the locality in a number substantially equal in number to the number of low-rent units being developed. Substantially all of the equivalent elimination required under the Public Law 412 program has been completed. Since the Housing Act of 1949 allows a 5-year period after completion of a project for accomplishing the necessary equivalent elimination, it is still too early to evaluate the effectiveness of this provision of the law.

D. Recent Developments in the Financing of Low-Rent Public Housing

Methods of Financing.—Three principal methods (or combinations thereof) are available for financing the capital cost of low-rent housing projects.

1. Local authorities may sell to private investors serial bonds maturing over a 40-year period. The payment of interest and principal of these bonds is secured by a pledge of the annual contributions to be paid by PHA, and their security features are comparable with obligations directly guaranteed by the Federal Government.

2. Local authorities can borrow capital funds from PHA for periods up to 40 years, at an interest rate equal to the cost of long-term money to the Federal Government at the time a project is contracted for. For most of the projects currently being financed, this rate is 2.5 percent, but for projects covered by recent contracts it is 2.76 percent.

3. Local authorities can sell short-term notes (generally running from 6 months to 1 year) to private investors. These "temporary notes" are secured by a commitment of PHA to loan an amount sufficient to cover the principal and interest of such notes at their maturity. These tax-exempt notes have been sold at very low interest rates, often below 1 percent, but in recent months there has been an increase in rates, and the last offering in 1952 was sold at an average interest rate of 1.343 percent.

All the above obligations of local authorities, like other obligations of State and local public bodies, are exempt from all Federal income taxes. However, in the case of housing authority obligations, this exemption is given by a specific provision of Federal law. In addition, the obligations of most local authorities are also tax exempt in the State in which the authority is situated.

Construction loans, permanent financing, and annual contributions.—During the construction of low-rent projects, loans are made directly by PHA until such time as a sufficient amount is outstanding to warrant the selling of temporary notes. When the first temporary notes are sold, the loans from PHA are paid off, and thereafter necessary funds are obtained by further sales of temporary notes. The use of temporary notes during construction has resulted in very substantial savings of interest, with corresponding reductions in the capital cost of projects.

As construction nears completion, projects are permanently financed, primarily through the sale of long-term bonds by the local authorities. These bonds mature serially over a period of years, and the maturities are so arranged that the debt service (interest and amortization) payable in each year is a level amount.

The amount of the annual contribution paid by PHA is equal to the level debt service on the capital borrowings of the local authority for the project, reduced by the amount by which rents collected exceed current operating costs. Any saving in debt service through the reduction of interest rates thus correspondingly reduces the annual contributions paid by the Federal Government.

In order to effect every possible economy in the cost of the low-rent program, PHA has continually sought to employ the various financing authorizations available to it so as to hold the cost of long-term debt service to the lowest possible level.

First four sales of New Housing Authority Bonds.—The bonds of the local authorities (called New Housing Authority Bonds) are sold on the basis of competitive bids from banks and bond dealers who, in turn, resell to investors the bonds of the various issues and of the various maturities. Although all the bonds of a given issue bear a uniform rate of interest, the resale prices set by the banks and dealers are scaled so as to give investors a much higher yield on the long-term bonds than on those of shorter term. It is these yields at which bond dealers plan to resell the bonds which determine the price they will pay for them and the effective interest cost to the local authorities.

The amount of New Housing Authority Bonds now being sold each year runs to about 10 percent of the total of all tax-exempt securities being sold, and has an important influence on the whole market for such securities. The size of the first 4 offerings, which averaged $158 million each, was so great that only a large syndicate of banks or dealers could handle them. Only two such syndicates have undertaken to bid for the purchase of New Housing Authority Bonds.

The 1949 amendments to the original United States Housing Act included provisions which make possible the sale of bonds to private investors in an amount equal to the entire capital cost of projects. On the first 4 groups of projects which came up for permanent financing after the adoption of these amendments, the local authorities sold bonds covering approximately 100 percent of capital cost. Those serial bonds generally matured over a period of 40 years, though in some instances they matured a few years earlier since annual contributions had already been paid in respect to the projects involved.

The first 3 sales of bonds in July 1951, October 1951, and January 1952 resulted in average effective interest rates of 2.0734 percent, 2.0519 percent, and 1.9593 percent, respectively, for serial bonds with maturities running up to 40 years.

During 1952 the market for tax-exempt bonds gradually weakened and interest rates went up. This was in part due to the hardening of all money rates, but was accentuated in the tax-exempt market by the unusually large volume of state and local issues, including new highway bonds, which were offered for sale. In the fourth sale of housing authority bonds in September 1952, when $170 million of serial bonds with maturities running up to 40 years were offered, the average effective interest rate went up to 2.5439 percent. This rate was extremely high in view of the fact that New Housing Authority Bonds are exempt from all Federal income tax and that their security is second only to that of the direct obligations of the Federal Government itself.

New plan of permanent financing.—By the end of 1952 when a fifth offering of bonds was in prospect, it had become apparent that the general weakness of the bond market would result in a further substantial increase in the average interest cost if 40-year bonds were again offered. Relatively few high-grade tax-exempt bonds with maturities of over 40 years have been marketed in recent years. The yield on the longer term maturities as reoffered by dealers after the fourth sale in September 1952 had been substantially higher than the rate at which PHA was authorized to make long-term loans to the local authorities. For example, typical bonds of that issue were reoffered to yield 2.65 percent on the 35-year maturities and 2.70 percent on the 40-year maturities. Still higher interest costs for maturities over 30 years were in prospect if such bonds were again offered for sale to investors.

PHA accordingly decided to restrict the maturities of the fifth offering of New Housing Authority Bonds to a uniform period of 30 years. However, in order that the Federal contributions payable in each year might be held to the lowest possible level, advantage was taken of the statutory authorization to pay such contributions over the full 40-year period and extend the amortization of capital costs to the same period. To do this, PHA undertook itself to purchase permanent notes from the local authorities for all maturities in excess of 30 years. In the average case, this means that PHA agrees to purchase permanent notes for somewhat over 30 percent of the capital cost of the respective projects, and that the New Housing Authority

Bonds sold on the market are limited to the balance of somewhat less than 70 percent. On the permanent notes which PHA agrees to purchase, interest only will be paid during the first 30 years, at the rate fixed by statute. At the end of that time, when the bonds have been paid off, amortization of the permanent notes will commence.

The reduction by over 30 percent in the number of bonds sold in a given offering greatly lessens the strain imposed by the public housing flotations on the tax-exempt market and in itself makes for better competition and somewhat lower interest rates on the bonds than could otherwise be obtained.

The elimination of bonds with maturities of over 30 years and the substitution of PHA permanent notes at lower interest rates automatically reduces the average cost and the level debt service of the total capital financing, and correspondingly reduces the contributions paid each year by the Federal Government.

In addition to the expected saving in interest through limiting the bonds to 30 years, the new plan offers further savings to local authorities through substituting short-term loans from private investors for the long-term loans which PHA contracts to make. Through this use of temporary notes there will be a further reduction in interest, at present short-term money rates, of approximately 1 percent on the portion of the capital cost so financed. Since the annual contributions paid by the Federal Government are sufficient to cover level debt service (including interest computed on PHA permanent notes at the statutory rate), the interest savings through temporary financing will be made available for the advance amortization of the portion of the loans not covered by bonds. This will shorten the total period of financing, cut down the number of annual contribution payments, and advance the date on which Federal interest in the projects will terminate and full control be vested in the local authorities.

Results of fifth sale justified new plan.—Although the fifth sale of bonds pursuant to the new plan outlined above was carried out just after the end of the period covered by this report it is of interest to record the results of this sale. The amount of bonds offered on January 21, 1953 was limited to $127,215,000, or 67.8 percent of the total permanent financing required for the projects concerned. All the bonds offered were made payable over a uniform period limited to 30 years.

The results achieved in this sale fully justify the new plan devised by PHA. The average interest rate obtained on all bonds sold averaged 2.3963 percent, in contrast to the average rate of 2.5439 percent for the longer-term bonds sold under better market conditions in September 1952.

The level debt service on the entire capital financing, computed on the basis of the bonds sold and the whole amount of permanent notes contracted for, amounts to $7,635,802 per year. Had serial bonds running out to 40 years been sold for the full capital amount, the resultant high average interest rate would have increased the debt service to about $8 million per year.

There was thus a saving of about $365,000 per year on the level debt service for this group of projects, and a corresponding saving in the annual contributions to be paid by PHA. This saving will amount to over $14 million over the whole period of the capital financing.

Shortly after the bonds are delivered, however, it is planned that the local authorities will sell their temporary notes to replace the permanent notes which PHA takes up. If on future sales an average rate of 1.5 percent is obtained, and if it turns out to be possible to renew these tax-exempt temporary notes at this average rate over the whole period, the advance amortization made possible through savings in interest will result in paying off the entire capital debt of these projects in approximately 35 years instead of 40 years. The maximum contributions for which PHA is obligated in respect to these projects amount to $7,635,802 a year and the potential saving in cutting off five such payments would be approximately $38 million. It is, of course, impossible to predict what the ultimate savings through temporary financing will be; they might well be much less, conceivably they may be more, but at any rate they should be very substantial.

The savings to the Federal Government made possible through the reduction of annual contributions under the new plan of financing are thus a very substantial amount. A total of about $14 million over the whole life of the projects has already been assured, and further potential savings running as high as $38 million may well be made through the use of temporary financing. The new plan thus offers possible potential savings to the Federal Government running up to a total of $52 million on this one group of projects.

One hundred percent private financing continued under new plan.—Pursuant to its duty to secure maximum economy in the administration of the low-rent program, PHA will continue to examine any other means which may appear feasible for perfecting the permanent financing of public housing projects. However, under present market conditions, it is believed that the plan recently adopted represents a sound use of the financial authorizations available to PHA.

It is important to note that through the combined use of bonds and temporary notes the financing of public housing will continue to be done almost entirely through borrowings from private investors.

The only difference in this respect from the system heretofore in use will be that about 30 percent of the private borrowing will be on a short-term basis and 70 percent on a long-term basis. Under the new plan, as well as under the former plan, borrowing from the Federal Treasury will be held to a minimum.

On December 31, 1952, 444 projects representing 174,588 units and a total development cost of $1,110,618,978 were under permanent financing. These comprised 163 Public Law 412 projects with 103,376 units and a total development cost of $460,407,286, and 281 Public Law 171 projects with 71,212 units and a total development cost of $650,211,692.

For the Public Law 412 projects, PHA's outstanding loans represented approximately 58.88 percent of the total development cost, or $271,088,000, the balance of the outstanding loans were made by private investors. For the Public Law 171 projects, PHA's outstanding loans represented less than 1.25 percent of the total development cost, or $8,115,599.

E. Management of Low-Rent Projects

Volume of housing in management.—As of December 31, 1952, 1,294 low-rent public housing projects containing 271,281 units were under active management. These fall into 6 categories, 3 consisting of projects constructed under the terms of the Housing Act of 1937, including the amendments of 1949, and 3 consisting of housing not so constructed but subsequently transferred to the low-rent housing program.

Some 384 projects containing 117,439 units were developed under the original United States Housing Act of 1937 (P. L. 412, 75th Cong.), including 8 rural farm projects containing 457 units. All of these, except for 31 projects located in Ohio, are locally owned. The 31 projects in Ohio are owned by PHA but are now in the process of being sold to local housing authorities. The eight rural projects consist of separate dwellings located on individual farms. In accordance with the policy set by the Housing Act of 1949 whereby PHA does not provide financial assistance for strictly farm housing and as expressly recommended by the Senate Banking and Currency Committee in its report on the Housing Act of 1949, efforts are being made to liquidate this small farm program. To this end the local housing authorities which own the eight projects in this program are being encouraged to sell the houses to the individual farm owners.

A further 195 projects containing 49,695 units were built under wartime legislation (P. L. 671, 76th Cong.) authorizing the use of low-rent housing funds for projects which were to be used initially by war workers but were to be converted to low-rent use as soon as

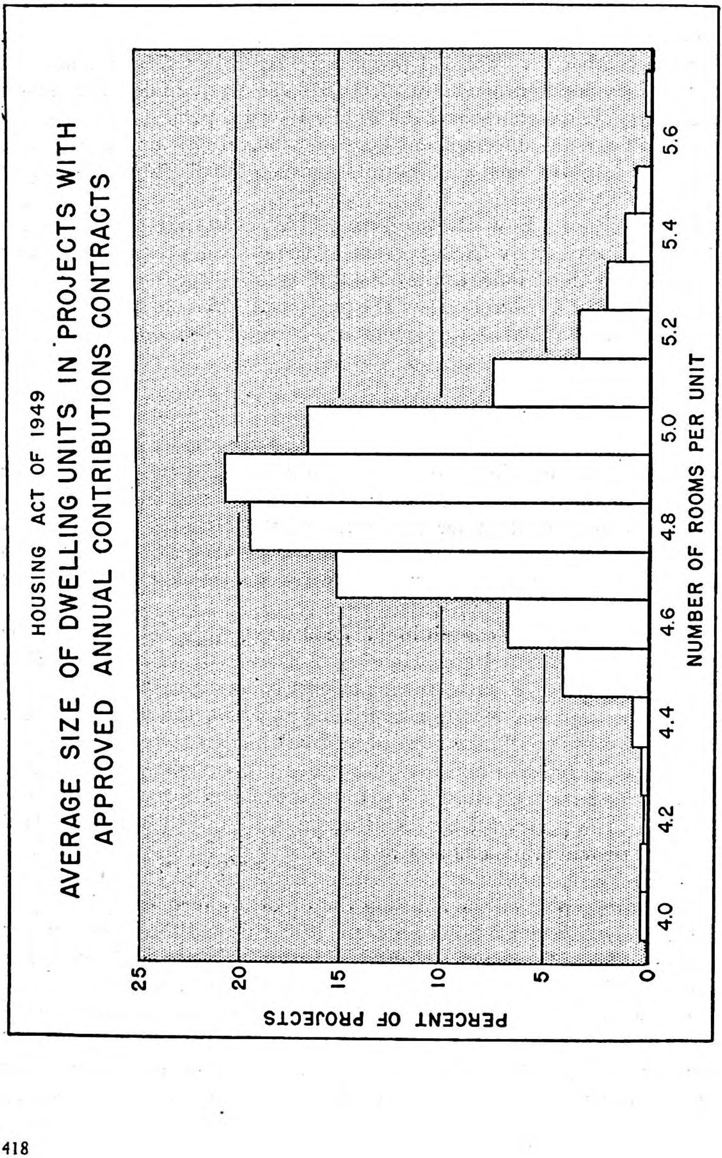
HOUSING ACT OF 1949
AVERAGE SIZE OF DWELLING UNITS IN PROJECTS WITH APPROVED ANNUAL CONTRIBUTIONS CONTRACTS
PERCENT OF PROJECTS
0
5
10
15
20
25
NUMBER OF ROOMS PER UNIT
4.0
4.2
4.4
4.6
4.8
5.0
5.2
5.4
5.6

CHART 7.

they were no longer needed for their original purpose. All but 6 of these projects are now in low-rent use; all but 18 are locally owned and these 18 are being sold to local housing authorities as rapidly as circumstances permit.

Finally 615 projects containing 70,694 units have already been completed under the Housing Act of 1949 (P. L. 171, 81st Cong.), including 86 rural nonfarm projects containing 2,110 units. The number of projects in this category will increase substantially as projects now in the development stage are completed. All of these projects are locally owned.

The first group of projects not built under the 1937 Act, as amended, consists of 50 projects containing 21,625 units which were developed by the Public Works Administration before the passage of the Act but which are now administered as part of the low-rent program. All of these projects are federally owned, but action has already been started leading to their conveyance, wherever possible, to local housing authorities.

Farm labor camps consisting of 39 projects with 9,359 units were built by the Department of Agriculture in the years 1936 to 1939 to provide housing for persons employed primarily in agricultural work. They were transferred to PHA under the terms of the Housing Act of 1950 and are now administered as part of the low-rent public housing program for the purpose of housing migratory agricultural workers. All but four have been disposed of by contracts providing for their sale to local housing authorities.

Eleven projects containing 2,469 units had been transferred, as of December 31, 1952, from the public war housing program to the low-rent program under the provisions of Title VI of the Lanham Act. Additional projects will be so transferred during 1953.

It is to be noted that all but six of the projects in the low-rent public housing program are managed by local housing authorities.

Families housed.—As of December 31, 1952, exclusive of farm labor camps, there were 242,000 families living in low-rent public housing. Of these, approximately 38 percent were families of veterans or servicemen.

The housing needs of racial minority groups continue to present a major problem. Programs for the development of low-rent housing, in order to be eligible for PHA assistance, must reflect equitable provision for eligible families of all races determined on the approximate volume and urgency of their respective needs for such housing. "Equitable provision" refers here to both the quantity and the quality of housing provided. About 38 percent of the occupants of low-rent public housing as of September 30, 1952, were Negroes.

Occupancy requirements.—In selecting tenants for a low-rent housing project, the local housing authority must determine whether an applicant meets the eligibility requirements and, if so, what preference rights, if any, the family has. The eligibility requirements are: (1) the applicant group must be a family; (2) the family income must not exceed the income limits for admission; (3) the family must be (a) living under substandard housing conditions, (b) without housing, or (c) about to be without housing; (4) the family member who signs the lease must be a citizen of the United States; and (5) the family must not include any person who is a member of an organization designated as subversive by the Attorney General of the United States.

The previous housing and citizenship requirements may be waived for families of certain veterans and servicemen. Local housing authorities may also establish eligibility requirements as to the maximum amount of assets a family may have, as well as requirements as to the family's being a resident of the community.

In selecting tenants from among eligible families a first preference is given to families displaced by low-rent housing or public slum clearance or redevelopment projects, and among these families first consideration is given to the families of veterans and servicemen. After eligible displaced families have been accommodated a second general preference is given to other families of veterans and servicemen. Among any preference group and among other families, preference must be given to those in the greatest need. No family may be discriminated against because any member is receiving public assistance. All of these preferences, are, of course, as among families eligible for units of appropriate sizes and at specified rents.

The status of each tenant family must be reexamined at least once each year to determine its eligibility for continued occupancy. Families found to be ineligible must be required to move from the project. The eligibility requirements for continued occupancy are similar to those for initial occupancy.

The requirement that the family must not include any person who is a member of an organization designated as subversive by the Attorney General was established in the Independent Offices Appropriation Act, 1953, which was approved by the President on July 5, 1952. This legislation contained the following proviso (commonly called the Gwinn Amendment):

> *Provided further*, That no housing unit constructed under the United States Housing Act of 1937, as amended, shall be occupied by a person who is a member of an organization designated as subversive by the Attorney General: *Provided further*, That the foregoing prohibition shall be enforced by the local housing authority, and that such prohibition shall not impair or affect the powers or obligations of the Public Housing Administration with respect to the

making of loans and annual contributions under the United States Housing Act of 1937, as amended.

PHA has required that all annual contributions contracts entered into or amended after July 5, 1952, must contain provisions giving full effect to the Gwinn Amendment. This requirement was later extended to all low-rent contracts between PHA and local housing authorities (including leases) which were entered into, revised, or amended after the effective date of the Gwinn Amendment, regardless of whether the housing involved was constructed under the United States Housing Act of 1937, as amended, or under other enabling legislation. In the case of low-rent projects covered by contracts in which the provisions of the Gwinn Amendment are not incorporated, PHA has strongly urged each local housing authority to put into effect promptly, by its own resolution or ordinance, the provisions of the Gwinn Amendment.

The Attorney General of the United States ruled that the phrase "organizations designated as subversive by the Attorney General" refers to and includes all organizations designated by him pursuant to Executive Order No. 9835. Applicants for admission to and continued occupancy in low-rent projects are required to examine and read the Attorney General's list of subversive organizations and to certify that no member of the family belongs to any of the listed organizations.

Income of families housed and rents.—Since the purpose of the low-rent housing program is to house low-income families at rents they can afford to pay, the income of the families housed and the rents they pay offer the best indication of the effectiveness of the program.

Two sets of maximum income limits are applied in each project. The income limits for admission set the highest incomes which families of different sizes may have to be eligible for acceptance as project tenants. Another somewhat higher set of limits establish the highest income a family living in the project may have without losing its eligibility for continued occupancy. When a tenant family's income exceeds that limit, it is required to move out. All income limits are set by the individual local housing authority subject to PHA approval.

Since income limits are established according to local economic conditions, there is considerable variation from community to community. During 1952, the median of the income limits established for the admission of families of average size was $2,400. About 27 percent of the localities had limits of $2,200 or less, and only 9 percent had limits above $2,800. Relatively few families are admitted at the maximum permitted. The median annual net income of all families admitted during the first half of 1952 was $1,937, an amount very considerably below the maximum limits. . . .

The income limits set for continued occupancy are in general 25 percent above those established for admission, in order to permit a moderate increase in income without necessitating the eviction of families which have been admitted. The financial status of each tenant family is reexamined at least once a year, as required by the Housing Act of 1949, to determine compliance with the maximums permitted. During the first 6 months of 1952 the incomes of 98,779 families were reexamined. The median net income of these families was $2,087. Those found eligible to continue in occupancy had a median net income of $1,953, while those whose income had increased beyond the eligibility limits had a median net income of $3,812. At the end of 1952 about 5 percent of all families in occupancy were ineligible and were under a requirement to move.

This compares with a total of 25 percent ineligible families at the end of July 1948. It was during 1948 that the Congress lifted the wartime restriction on removal of ineligible families from low-rent public housing. The proportion of ineligible families has dropped sharply since then as the following table indicates:

Ineligible families in projects under the U. S. Housing Act

At end of—	Percentage of total families
July 1948	25
July 1949	18
July 1950	10
July 1951	8
July 1952	6
December 1952	5

Throughout a family's residence in low-rent public housing, its rent is scaled to the family size and income. The median gross rent (i. e. a rent which includes not only shelter rent but also the cost of heating and all utilities, whether supplied by the project or by the family) for families admitted during the first half of 1952 was $32.00 per month. The median rent for the families whose incomes were reexamined during that period was $35.00.

Annual contributions.—Annual contributions are made by PHA to assist local housing authorities in maintaining the low-rent character of projects developed under the Housing Act of 1937, as amended. The annual contributions contract entered into after approval of a development program establishes the maximum annual contribution authorized by the Act. This amount represents a fixed percentage of the estimated development cost of the project. At the time the project is permanently financed a fixed annual contribution is established at an amount which, in general, is sufficient to cover the level debt service of the indebtedness. This fixed amount is reduced each year by the aggregate amount of certain income of the local housing authority during that year, principally its so-called residual receipts (the excess of operating receipts over operating expenditures exclusive of debt service).

On older projects, annual contributions have been greatly reduced in recent years because, while debt service has remained fixed, economic conditions generally have resulted in increased residual receipts. The following table shows the payments becoming due and made on all low-rent projects during fiscal year 1952:

Law under which projects were developed (see text for explanation)	Contribution payable	Contribution paid	Percentage of contribution payable paid
			Percent
PL 412	$15,174,289	$7,020,678	46
PL 671	5,965,504	1,172,812	20
PL 171	5,075,310	4,372,499	86
Total	26,215,103	12,565,987	48

Chapter II

EMERGENCY HOUSING PROGRAMS

A. Description of Emergency Programs

In addition to its principal activity—administration of the low-rent public housing program—PHA also had responsibility during 1952 for four other housing programs. These can be characterized as emergency housing programs, since each was authorized by the Congress to meet an emergency need of temporary duration, with the understanding that the Federal Government would divest itself of interest in the housing and liquidate the program after the need had been met.

The *public war housing program* originally consisted of permanent and temporary units authorized by the Lanham Act (P. L. 849, 75th Cong.) and built with appropriated funds to provide necessary accommodations for war workers and military personnel in defense production areas and at military installations. Also included in this program are new projects being developed under the Defense Housing and Community Facilities and Services Act of 1951 (P. L. 139, 82d Cong.) to meet temporary housing needs in critical defense areas. The statutory responsibility for the administration and disposition of public war housing is vested in the Administrator of HHFA, who has delegated to PHA operating responsibility, subject to his supervision and approval.

Nearly 627,000 units were provided in the Lanham-constructed war housing program. Almost 30 percent was permanent housing, suitable for long-term residential use, while the balance was temporary. Some of the war housing was operated by PHA, but a substantial amount was managed by local housing authorities under lease arrangements with PHA.

The *veterans reuse program* was authorized by Title V of the Lanham Act to provide temporary housing accommodations for World War II veterans and servicemen and their families through the reuse of surplus Government-owned structures. Title V permitted the Government to turn these buildings over to local sponsors who would operate them as housing for veterans and their families. A total of almost 267,000 units were provided in this manner. Some were dormitory quarters for single veterans, and the remainder family units for married veterans. The sponsors included local housing authorities and other public bodies, nonprofit organizations, and educational institutions. In most instances, the buildings were moved from their original sites to new locations. In some cases, the Federal Government paid the cost of moving the buildings and converting them wherever necessary, while in other cases the Government merely provided the buildings, and the local sponsors bore the cost of conversion into housing.

The *homes conversion program* was an outgrowth of World War II housing needs. Under authority of the Lanham Act, the Federal Government leased privately owned properties and remodeled them in order to provide housing accommodations for essential war workers and their families. This program originally totaled 49,565 units in 8,842 properties. By the beginning of 1952, the program had been liquidated with the exception of two properties.

The *subsistence homesteads and greentowns program* was originally administered by the Farm Security Administration. The greentowns were built in the 1930's to demonstrate modern suburban community planning, to furnish useful work for the unemployed, and to provide housing for moderate-income families. The three greentowns are Greenbelt, Md., near Washington, D. C.; Greenhills, Ohio, a suburb of Cincinnati; and Greendale, Wis., near Milwaukee. The 31 subsistence homesteads were started by the Department of the Interior as work relief projects and to provide housing as an economic base for unemployed families. This program was transferred to PHA in 1942.

The number of units which were provided by the four emergency programs totaled 948,526 dwelling units as follows (excluding P. L. 139):

Program	*Units*
Lanham Act	626, 728
Veterans Reuse	266, 814
Homes Conversion	49, 565
Subsistence Homesteads and Greentowns	5, 419
Total	948, 526

B. Development of New Defense Housing

The provision of public defense housing in critical defense housing areas was authorized by Title III of the Defense Housing and Community Facilities and Services Act of 1951. Title III authorized the expenditure of Federal funds to supply housing to meet temporary housing needs in critical defense housing areas and to provide permanent defense housing where needed, but where private enterprise cannot provide it. All public defense housing authorized so far has been of a mobile or portable character, or otherwise built so that it can eventually be reused in other locations, with the exception of a few rehabilitated masonry units of Lanham Act housing.

The size and location of defense housing projects are determined by HHFA after consultation with the Department of Defense and other Government agencies concerned with defense production. Program assignments are then made to PHA by the HHFA Administrator, and the procurement, installation, and management of the housing is handled by PHA. During 1952, Congress increased its initial appropriation of $25 million for public defense housing to a total of $87.5 million, and under this total authority HHFA increased its assignments to PHA to a total of 15,990 defense accommodations.

During the early part of 1952, as projects neared completion, they were examined critically, and a series of improvements in the physical standards, plans, and specifications were effected. All projects now under construction reflect these modifications. Costs have remained within very reasonable limits consistent with advance estimates. In some relatively isolated localities a manpower shortage and inaccessibility of sites resulted in higher costs, but these cases are proportionately few.

With few exceptions each project assignment meant a complete system of roads, walks, and utility distribution, and in a few instances some off-site extension of water, sewer, and electric services was necessary.

In general, the defense housing provided by the Federal Government consists either of trailers with sleeping accommodations for four and six persons, or of mobile or portable houses. The trailers and the houses have modern household facilities and equipment.

By the end of the year consideration was being given to a comparatively new type of house for use in those locations where relatively long tenure might reasonably be expected. In such cases it was deemed advantageous to develop a type of house which would provide permanent standards of space, etc., and which could be relocated on other sites if necessary when the original need no longer existed. A few of these units were included in the assignments of other types of housing so that they could be tested before the development of complete projects of this nature was undertaken.

While the total program developed under Public Law 139 is small, the majority of the defense housing is built on military posts or bases and is for military personnel. Efforts to establish rents which were both acceptable to the Armed Services and realistic in terms of operating expenses created a management problem for PHA in the early days of this program. By the end of 1952, PHA had under active management 29 defense projects and 5,577 dwelling units.

C. Management Problems

Over 368,000 units of Lanham Act housing were disposed of by the end of 1952, leaving on hand a total of 258,540 units, of which more than half were of a temporary character. The temporary dwellings were built from 8 to 11 years ago, with the expectation that they would be in use about 5 years. This housing is becoming increasingly expensive to maintain. Although the temporary projects remain in constant use in many localities, particularly in critical defense areas, PHA is reluctant to spend substantial sums to repair and rehabilitate buildings which may be torn down in the near future. Rising wages and other operating costs, and a congressional limitation on funds have forced PHA to hold down to a minimum its expenditures for repairs and replacements.

In compliance with legislative directives, PHA makes payments in lieu of taxes on the projects it operates. These payments approximate the full real property taxes that would be paid to the eligible taxing jurisdictions if this property were not tax exempt. If these local taxing jurisdictions do not furnish to the Government the same public services furnished other property owners, thereby making it necessary for the Government to provide such services, PHA makes appropriate deductions from what otherwise would be paid in lieu of taxes. In making tax payments, PHA follows local customs and practices, and bases its payments on the locally established tax years, which vary all over the country. The authorized payments in lieu of taxes for war emergency housing for the last full year for which complete payment dates have accrued were slightly less than $15 million.

D. Disposition of Emergency Housing

Disposition suspension order and 1952 achievement.—As a matter of general policy and pursuant to the expressed intent of the Congress, emergency housing is disposed of by PHA as rapidly as circumstances permit. Disposition activities during 1952 were restricted by a disposition suspension order which had been issued by the Housing and Home Finance Administrator shortly after the outbreak of the Korean conflict. The purpose of this suspension order was to permit time to determine the need for the housing in the defense effort. As it has been determined that individual projects were not needed in the defense effort, such projects have been released from the disposition suspension order. By the start of 1952, PHA had disposed of approximately 657,000 dwelling units, or about 67 percent of a total of over 977,000. (These figures include not only the four programs now in liquidation but also several other programs completely liqui-

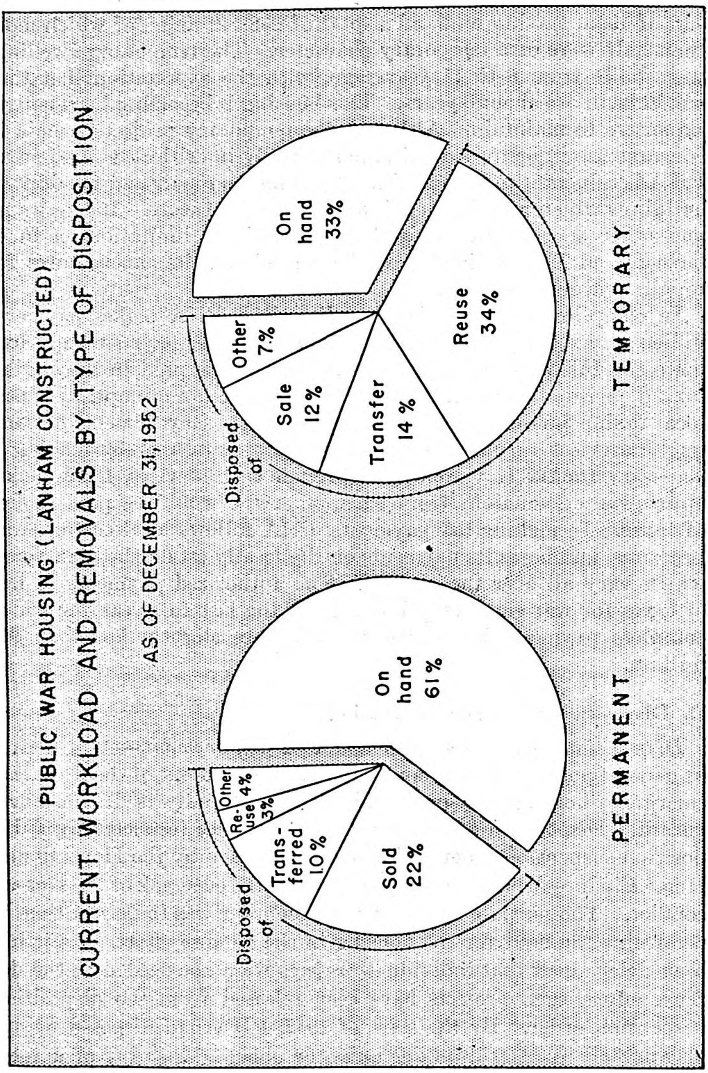
PUBLIC WAR HOUSING (LANHAM CONSTRUCTED)
CURRENT WORKLOAD AND REMOVALS BY TYPE OF DISPOSITION
AS OF DECEMBER 31, 1952
Disposed of
Other 4%
Re-use 3%
Trans-ferred 10%
Sold 22%
On hand 61%
PERMANENT
Disposed of
Other 7%
Sale 12%
Transfer 14%
Reuse 34%
On hand 33%
TEMPORARY

CHART 8.

dated before 1952 and therefore not otherwise referred to in this report.) During 1952, over 36,000 additional units, in projects not subject to or released from the disposition suspension order, were disposed of, raising the percentage disposed of to 71 percent. At the end of 1952, 283,850 units remained to be disposed of.

Permanent war housing.—The Lanham Act, as amended, authorizes the conveyance of certain permanent war housing projects to local housing authorities for use as low-rent housing for low-income families. The only projects eligible for such disposition are those specifically named by Congress in the Housing Act of 1950, and others applied for by localities within 60 days after the date of such Act. As in the case of housing developed under the low-rent public housing program there must be a demonstration of need for low-rent housing in the community and the approval and cooperation of the local governing body must be obtained.

Of the some 63,000 units eligible for transfer it is now expected that no more than 28,000 will ultimately be so transferred. Because of the disposition suspension order, PHA was able by the end of 1952 to accomplish conveyance of only eleven projects containing 2,469 units but additional projects will be conveyed during 1953.

Lanham Act housing transferred for low-rent use becomes subject to regulations similar to those governing housing developed under the low-rent program, the principal differences being that such housing does not receive annual contributions from the Federal Government, and that the residual operating receipts (i. e. over and above those required for operating purposes) are to be paid to PHA for a period of 40 years.

Permanent war housing not transferred to local housing authorities for low-rent use is sold by PHA under a policy designed to encourage individual home ownership, especially by veterans. Wherever possible, permanent war housing projects are subdivided so as to reach the greatest number of individual home owners, with veteran occupants being given a first preference as purchasers. If a project cannot be appropriately subdivided, groups of buildings are sold as an entity, or if necessary the entire project is so sold, with a preference being given to groups of veterans organized on a mutual ownership or cooperative basis. If no such group acquires the project, it is offered for sale on the open market to private investors. A total of 2,570 units of permanent war housing were sold during 1952.

A noteworthy sale during 1952 was that of the commercial properties which had been developed to serve the 5,000-unit Linda Vista permanent war housing project in San Diego, California. In December, following nationwide advertising, PHA accepted bids totaling $2,059,150 for the sale of this property.

Temporary housing.—Legislation governing the disposition of temporary housing (both war and veterans reuse) provides that such housing may under certain conditions be transferred to local housing authorities or certain other local bodies, or may, upon a local finding that it is satisfactory for long-term use, be sold in the same manner as permanent housing. Unless disposed of in one of these two ways, it must be removed within specified time limits.

At the beginning of 1952, PHA had disposition responsibility for over 200,000 units of temporary housing, including almost 32,000 units in the veterans reuse program. During the year, with activities seriously curtailed by the disposition suspension order over 29,000 units were disposed of, including almost 7,000 units in the veterans reuse program.

Homes conversion program.—With the cancellation during 1952 of the remaining 2 leaseholds, this program was approaching complete liquidation.

Subsistence homesteads and greentowns program.—Public Law 65 (81st Cong.), enacted May 1949, empowered PHA to sell the greentowns by negotiated sale rather than by open competitive bidding. In any such sales, preference was to be extended to responsible nonprofit veterans' groups.

Greenhills, in the suburbs of Cincinnati, was the first of the greentowns to be sold under the terms of Public Law 65. In 1950, title to the corporate area, including some 601 acres of land, 680 urban dwellings, a commercial building, a management building, and a service station, was transferred to the Greenhills Home Owners Corporation, a nonprofit cooperative composed primarily of veterans and tenants of the community. The purchase price was $3,511,300. Early in 1952, PHA disposed of 401 acres of vacant land at Greenhills to the Hamilton (Ohio) County Park District, partly by sale and partly by dedication. In September 1952, PHA signed a sales contract with the Cincinnati (Ohio) Community Development Corporation, covering 3,378 acres, the remaining vacant residential land at Greenhills. The sales price was $1,200,000.

Negotiations in 1950 with prospective purchasers of Greendale (just outside Milwaukee) and Greenbelt (in the environs of Washington, D. C.) were halted by PHA as a result of the suspension of disposition activities. In 1952, after the Administrator determined that the sale of both greentowns would not interfere with national defense activities, PHA resumed negotiations for the sale of these projects.

Inasmuch as no veterans' nonprofit group was able to qualify for the purchase of Greendale as an entity, it was subdivided and the tenants bought all of the 618 dwellings at a total price of $4,666,825. Approximately 2,280 acres of undeveloped residential and commercial land and the shopping center at Greendale were placed on the market in 1952 for sale at open competitive bidding. After a thorough analysis of all the offers received, none was found satisfactory. At the end of 1952, however, PHA had entered into negotiations for the sale of this property, and a sales contract was executed early in 1953.

Negotiations were resumed in 1952 with the Greenbelt Veteran Housing Corporation, the only group which had qualified under Public Law 65 for priority consideration in the purchase of the community. On December 30, 1952, PHA transferred to the Corporation title to 1,580 dwellings for $6,285,450. The transaction included 584 original Greenbelt homes and 996 dwellings built in 1941 with Lanham Act funds to house defense workers. The Corporation made a $628,545 cash downpayment, with the balance of the purchase price covered by a 25-year mortgage at 4-percent interest. Along with the sale of 1,580 homes, PHA also sold to the veterans' group 708 acres of land suitable for residential development. The purchase price was $670,219, with the Corporation making a 10-percent cash downpayment, and the balance secured by a 15-year mortgage at 4-percent interest. Still remaining to be sold at Greenbelt are 12 buildings with 306 apartments, the shopping center, and about 850 acres of undeveloped land. It is anticipated that these properties will be disposed of during 1953.

On January 1, 1952, the Government still held title to 18 subsistence homestead dwellings, all of which were under long-term lease-purchase contracts. During 1952, PHA was able to transfer title to 7 homestead units, leaving 11 still in Government ownership under long-term contracts. Efforts to liquidate these contracts are continuing.

By the end of 1952, it was apparent that PHA had conformed with the intent of Congress that the operation of the greentowns and their future development be carried out by private interests, rather than by the Federal Government.

Chapter III

ADMINISTRATION

A. Organization

There were no major changes in PHA's administrative structure in 1952. In recognition of the fact that most of PHA's work involves close relationships with local public bodies, decentralization of authority to the field was characteristic of the organization.

The reorganization of the central office during 1951 along functional lines proved effective. Work connected with the new defense housing program was absorbed within the existing organization as being the most practical and efficient method of operation. Early in 1952 a Mortgage Servicing Branch was established in the Management and Disposition Division to assume the workload connected with servicing mortgage and other lien instruments received by the Federal Government in the disposition of federally owned property.

Eight field offices were maintained, each with jurisdiction over PHA's activities in a group of contiguous states. The offices are located in Boston, New York, Richmond, Atlanta, Chicago, Fort Worth, San Francisco, and Santurce, Puerto Rico.

B. Administrative Budget and Employment

PHA's budget for administrative expenses in the fiscal year which ended on June 30, 1952, was $13,904,700. The budget for the current fiscal year, which began July 1, 1952, provides $12,967,735 for administrative expenses. This latter amount consists of an authorization to spend $4,967,735 from the proceeds of various PHA programs and $8 million in appropriated funds.

PHA full-time administrative employment rose slightly for the first 4 months of 1952, but showed a decrease of 5 percent during the last 8 months. The decrease was due to the budget reduction and to the limiting of construction starts in the low-rent public housing program.

At the start of 1952, there were 2,001 full-time administrative employees in PHA. By the end of April 1952 there was a slight increase to 2,101; by the end of the year, the number had dropped to 1,986.

C. Management Improvement Activities

During 1952 PHA continued to devote considerable attention to improving its program operations and administrative functions. Division and branch heads were responsible for most of this activity.

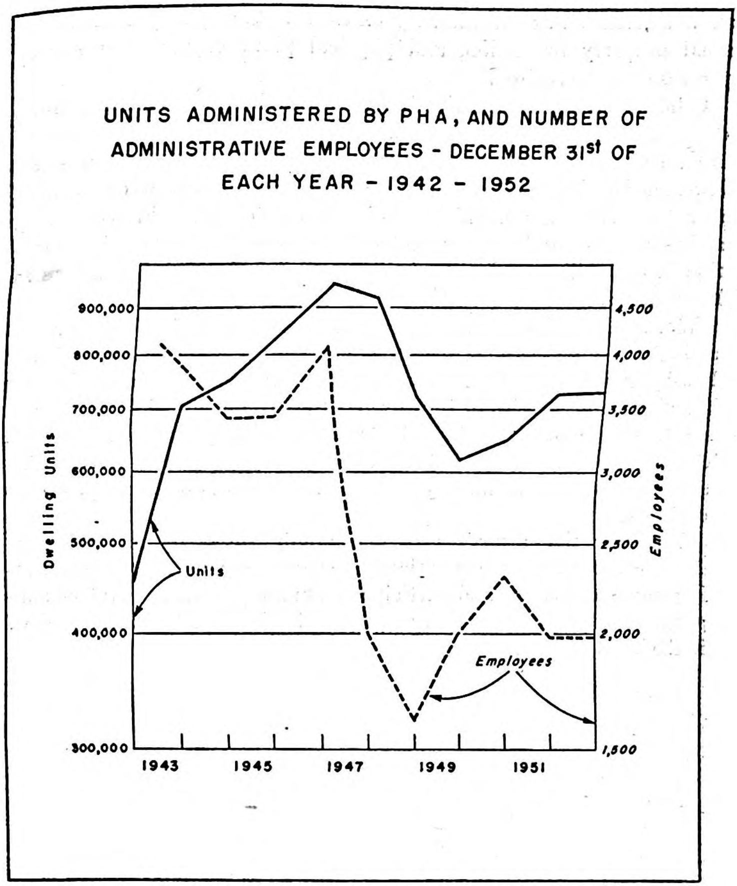

CHART 9.

The Management Improvement Committee served as the Commissioner's adviser and coordinator on such matters.

One of the important jobs completed during the year was the establishment of a system for periodically reviewing all operations—administrative and program—at the local, field office, and central office organization levels. In this connection, procedures were put into effect requiring the submission of semiannual reports by field offices and central office branch and division heads on their own operations. Procedures were also developed and tested to systematize the work of the field offices in reviewing project operations. The scope of internal audit activities was considerably extended. Occupancy audit, personal property inspection, and physical plant engineering survey procedures were revised.

Other improvement activity included completion of a new manual of accounting procedures for low-rent projects based on the Act of 1949, a manual of simplified instructions for the operation of small low-rent housing programs, improvement of personnel operations, more effective and economical administration of the field accounting and field auditing functions, and improvement of the taxation function in controlling and recording payments to local governments in lieu of taxes.

Work was continued on the reconciling of war housing land records and of the differences between the book and inventory values of war housing real property. A thorough study was made of housekeeping functions, and a series of improvements were made which resulted in substantial economies. An orientation training program for central office personnel was conducted during the year, with lectures by staff members on the history, administrative programs, and problems of PHA.

The incentive awards program, administered by an Efficiency Awards Committee, made noticeable progress during 1952 in stimulating employee interest and participation in the program. Sixteen suggestions were received from employees in the first 6 months and 67 in the last 6 months.

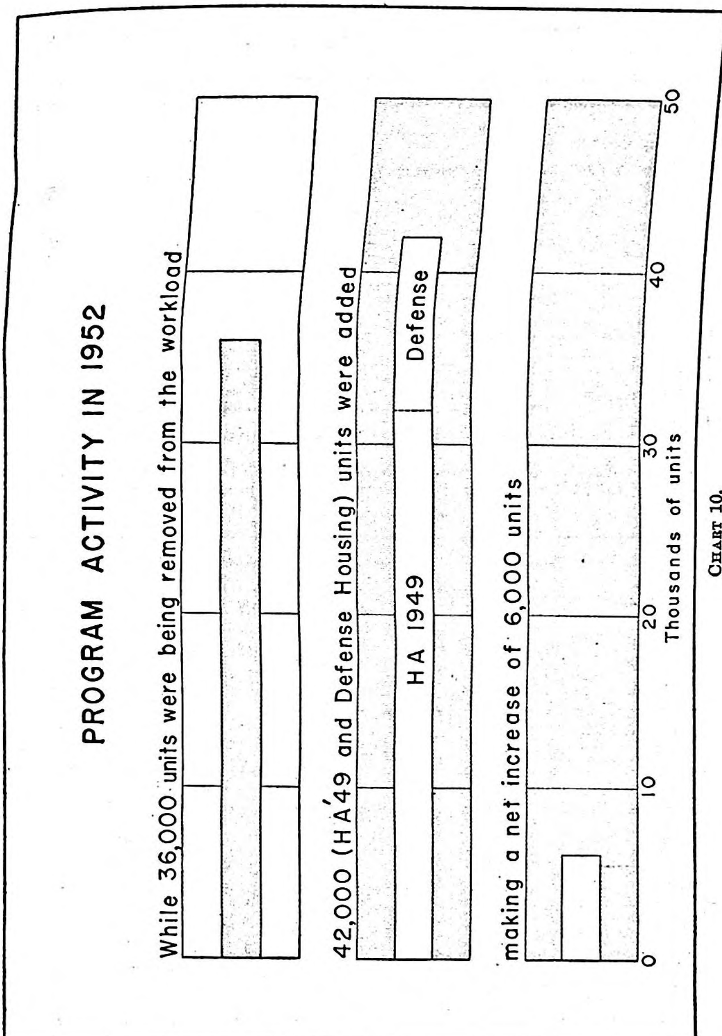
PROGRAM ACTIVITY IN 1952
While 36,000 units were being removed from the workload
42,000 (HA'49 and Defense Housing) units were added
Defense
HA 1949
making a net increase of 6,000 units
0
10
20
30
40
50
Thousands of units

CHART 10.

TABLE 1.—*Number of dwelling units owned or supervised by the Public Housing Administration* [1] *by program as of Dec. 31, 1952*

Program	Total: Number	Total: Net change since Dec. 31, 1951	Federally owned	Locally owned
Total	731,099	+6,259	320,133	410,966
Active	718,547	+8,651	307,581	410,966
Veterans' reuse housing	24,809	−6,819	1,673	[2] 23,136
Defense housing	10,456	+10,456	10,456	----------
Public war housing (Lanham constructed)	246,116	−25,750	[3] 246,116	----------
Low-rent housing	436,793	+31,959	48,963	387,830
Under management	271,281	+60,000	48,963	222,318
Under construction	87,588	−3,026	----------	87,588
Not under construction	[4] 77,924	−25,015	----------	77,924
Public Law 171	236,206	+29,015	----------	236,206
Public Law 412	117,439	−10	10,840	106,599
Public Law 671	49,695	−399	7,139	42,556
PWA	21,625	−15	21,625	----------
Farm labor camps	9,359	−1	9,359	----------
Public Law 475	2,469	+2,469	----------	2,469
Subsistence homesteads and greentowns	373	−1,195	373	----------
Inactive—public war housing (Lanham constructed)	12,552	−2,392	12,552	----------

[1] Excludes units which have been sold to mutual housing associations, limited dividend corporation (PWA) and homestead associations on which PHA holds mortgages for collection.
[2] This veterans' housing is so classified even though title or income rights may not be formally transferred.
[3] Includes 128 homes conversion units. The disposition of these 128 units was reported subsequent to the preparation of this table.
[4] Excludes 1,423 rural farm units not yet built but which are part of active rural projects.

TABLE 2.—*Number of active projects and dwelling units owned or supervised by the Public Housing Administration* [1] *by program and by State*

[As of December 31, 1952]

State	Total program [2] Number of Projects	Total program [2] Number of Units	Low-rent [3] Number of Projects	Low-rent [3] Number of Units	War housing [4] Number of Projects	War housing [4] Number of Units	Defense housing Number of Projects	Defense housing Number of Units	Veterans reuse housing Number of Projects	Veterans reuse housing Number of Units
Total	3,239	718,547	2,125	436,793	879	246,116	64	10,456	165	24,809
Alabama	157	21,622	128	14,151	23	6,460	2	326	4	685
Arizona	50	6,481	18	2,752	27	3,406	3	200	2	123
Arkansas	30	3,020	26	2,528	2	274	-------	-------	2	218
California	397	115,729	165	36,450	187	71,001	9	1,353	36	6,925
Colorado	17	4,114	16	3,784	-------	-------	-------	-------	1	330
Connecticut	88	21,501	35	10,116	48	10,525	2	500	3	360
Delaware	9	2,377	4	760	5	1,617	-------	-------	-------	-------
Florida	102	18,067	80	14,843	18	2,965	2	160	2	99
Georgia	294	27,793	272	22,507	17	4,620	2	258	3	399
Idaho	12	1,197	4	420	4	258	3	491	1	28
Illinois	131	31,178	113	28,719	13	1,901	-------	-------	5	558
Indiana	50	9,060	28	5,297	14	2,826	1	190	7	747
Iowa	9	1,769	-------	-------	4	871	-------	-------	5	898
Kansas	14	6,591	-------	-------	10	5,865	4	726	-------	-------
Kentucky	53	9,656	49	9,265	2	240	1	110	1	32
Louisiana	70	14,286	62	13,185	2	255	4	748	2	98
Maine	17	2,556	2	86	14	2,195	1	275	-------	-------
Maryland	59	19,144	26	8,753	29	9,971	3	113	-------	-------
Massachusetts	66	19,525	49	16,621	11	2,535	-------	-------	6	369
Michigan	86	30,315	26	13,475	56	16,568	1	120	3	152
Minnesota	12	2,639	10	2,506	-------	-------	-------	-------	2	133
Mississippi	59	5,406	49	3,219	6	1,621	-------	-------	3	565
Missouri	15	9,510	9	7,685	1	60	2	809	3	956
Montana	9	747	8	697	1	50	-------	-------	-------	-------
Nebraska	12	3,001	6	1,778	6	1,223	-------	-------	-------	-------

See footnotes at end of table.

TABLE 2.—*Number of active projects and dwelling units owned or supervised by the Public Housing Administration* [1] *by program and by State*—Continued

[As of December 31, 1952]

State	Total program [2]		Low-rent [3]		War housing [4]		Defense housing		Veterans reuse housing	
	Number of		Number of		Number of		Number of		Number of	
	Projects	Units	Projects	Units	Projects	Units	Projects	Units	Projects	Units
Nevada	12	1,627	1	100	10	1,427	1	100	-------	-------
New Hampshire	6	1,511	4	626	2	885	-------	-------	-------	-------
New Jersey	112	25,340	90	22,022	11	2,875	-------	-------	10	438
New Mexico	7	455	2	148	4	287	-------	-------	1	20
New York	90	53,519	60	45,407	16	4,239	-------	-------	14	3,873
North Carolina	72	11,594	59	9,097	9	1,953	3	526	1	18
North Dakota	2	63	-------	-------	-------	-------	-------	-------	2	63
Ohio	108	33,268	44	17,547	55	14,124	-------	-------	8	1,557
Oklahoma	7	912	2	434	1	184	-------	-------	4	294
Oregon	34	3,409	12	1,066	19	2,207	-------	-------	3	136
Pennsylvania	174	45,071	104	25,599	69	19,445	-------	-------	1	27
Rhode Island	19	5,190	13	4,008	2	800	2	300	2	91
South Carolina	97	7,924	87	5,458	10	2,466	-------	-------	-------	-------
South Dakota	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------
Tennessee	88	15,950	82	15,384	5	561	-------	-------	-------	-------
Texas	243	36,026	210	27,975	24	6,906	3	353	6	792
Utah	13	2,979	-------	-------	13	2,979	-------	-------	-------	-------
Vermont	3	323	-------	-------	3	323	-------	-------	-------	-------
Virginia	77	29,582	35	9,554	29	17,666	9	1,766	4	596
Washington	91	19,860	24	4,486	57	14,498	4	420	6	456
West Virginia	17	2,202	13	2,076	-------	-------	-------	-------	4	126
Wisconsin	17	3,431	8	1,949	4	828	2	612	2	27
Wyoming	7	795	-------	-------	7	795	-------	-------	-------	-------
Dist. of Columbia	31	7,481	14	4,596	16	1,989	-------	-------	1	896
Alaska	16	680	4	325	12	355	-------	-------	-------	-------
Hawaii	12	4,132	6	1,409	1	999	-------	-------	5	1,724
Puerto Rico	63	17,451	63	17,454	-------	-------	-------	-------	-------	-------
Virgin Islands	3	476	3	476	-------	-------	-------	-------	-------	-------

[1] See footnote table 1.
[2] Includes 6 projects and 373 units in the subsistence homesteads and greentowns program not shown separately by program.
[3] Includes PL-412, PL-671, PWA, PL-171, PL-475 and farm labor camp programs.
[4] Includes homes conversion program, 128 units in California.

TABLE 3.—*Disposition responsibility of the Public Housing Administration—Total number of dwelling units and number disposed of, by program, type of structure and accommodation, and method of disposition, as of Dec. 31, 1952*

Program	Disposition responsibility	Number of dwelling units disposed of by method of disposition							
		Total	Relinquishments	Sale	Veterans' reuse	Transfer to other agencies	Reuse war housing	Lease termination	Other
Total	981,925	698,075	226,940	123,907	105,852	60,104	59,157	56,606	65,509
Public war housing (Lanham constructed)	626,728	368,188	17,198	92,813	100,055	59,360	58,757	6,800	[1] 33,205
Family dwelling	526,105	269,831	17,100	74,904	58,351	42,475	48,060	273	28,668
Permanent	147,854	36,517	-------	20,574	8	12,207	843	273	2,612
Demountable	24,878	24,878	-------	17,489	598	2,357	4,051	-------	383
Temporary and stopgap	353,373	208,436	17,100	36,841	57,745	27,911	43,166	-------	25,673
Dormitory	100,623	98,357	98	17,909	41,704	16,885	10,697	6,527	4,537
Permanent	9,404	9,186	-------	1,871	-------	764	-------	6,527	24
Temporary and stopgap	91,219	89,171	98	16,038	41,704	16,121	10,697	-------	4,513
Veterans' reuse housing	266,814	242,005	209,742	-------	-------	-------	-------	-------	[2] 32,263
Subsistence homesteads and greentowns	5,410	5,046	-------	5,033	-------	7	-------	-------	6
Low-rent housing	5,375	5,375	-------	4,732	-------	209	400	-------	34
Other	77,589	77,461	-------	21,329	5,797	528	-------	49,806	1

[1] Includes the following methods of disposition: demolition—9,510 units; accident, fire, etc.—8,573 units; deprogrammed trailer park accommodations—8,126 units; conveyance for low-rent use—2,469 units; termination of construction contracts for incomplete units—2,051; conversion to nondwelling use, remodeling, deterioration, etc.—1,443 units; reuse defense housing—540 units; and use in experimental projects—493 units.
[2] Includes 31,443 units disposed of by termination due to lack of need, by conversion, by lease termination, and by deterioration; also includes 820 units disposed of for reuse as defense housing.

TABLE 4.—*Housing Act of 1949:* [1] *Number of presently active dwelling units processed through selected progress stages, by State, as of December 31, 1952*

State [2]	Reserved [3]	Preliminary loan approved [3]	Tentative site approved [3]	Annual contributions contract approved	Placed under construction	Completed
Total	358, 908	353, 315	253, 857	233, 984	156, 060	[3] 68, 472
Alabama	13, 336	13, 294	8, 585	8, 320	7, 264	5, 438
Arizona	1, 867	1, 867	1, 261	1, 001	701	654
Arkansas	1, 696	1, 696	1, 610	1, 852	1, 750	1, 542
California	20, 975	20, 824	19, 979	21, 083	7, 223	4, 267
Colorado	3, 125	3, 125	2, 724	2, 724	2, 204	994
Connecticut	4, 396	4, 064	3, 883	3, 883	2, 751	1, 142
Delaware	1, 280	1, 280	380	380	380	---
Florida	8, 223	8, 083	5, 438	5, 215	3, 571	2, 388
Georgia	16, 985	16, 899	13, 656	12, 350	9, 583	6, 037
Idaho	200	200	---	75	75	75
Illinois	28, 831	28, 687	15, 816	15, 306	5, 963	1, 570
Indiana	3, 643	3, 643	2, 515	2, 185	1, 209	457
Kentucky	5, 732	5, 630	4, 734	4, 911	4, 037	1, 759
Louisiana	9, 514	8, 988	6, 715	7, 341	4, 321	1, 613
Maine	86	86	86	86	50	50
Maryland	5, 810	5, 810	4, 491	3, 455	1, 538	599
Massachusetts	10, 821	10, 621	9, 383	8, 708	6, 651	3, 574
Michigan	7, 193	7, 193	6, 132	8, 296	2, 658	1, 006
Minnesota	4, 179	4, 179	2, 682	2, 042	1, 464	1, 464
Mississippi	2, 403	2, 403	1, 947	1, 489	1, 056	642
Missouri	9, 200	9, 200	6, 909	6, 370	3, 588	622
Montana	164	164	164	164	110	50
Nebraska	700	700	700	700	700	400
Nevada	250	250	100	100	100	100
New Hampshire	725	525	626	626	324	200
New Jersey	16, 442	16, 192	14, 292	12, 997	9, 969	3, 925
New Mexico	70	70	70	148	148	78
New York	54, 950	54, 950	28, 374	26, 731	16, 369	3, 655
North Carolina	7, 607	7, 407	6, 304	6, 128	5, 583	3, 781
North Dakota	100	100	---	---	---	---
Ohio	17, 270	16, 070	3, 974	2, 112	---	---
Oregon	240	240	186	166	114	114
Pennsylvania	24, 130	23, 830	15, 351	12, 311	8, 729	2, 832
Rhode Island	2, 124	2, 124	1, 682	2, 080	2, 004	398
South Carolina	3, 981	3, 955	3, 242	3, 320	2, 537	1, 528
South Dakota	---	---	---	---	---	---
Tennessee	9, 976	9, 976	8, 935	8, 123	6, 700	2, 987
Texas	19, 332	19, 332	17, 370	16, 857	15, 805	7, 543
Vermont	---	---	---	---	---	---
Virginia	8, 354	8, 354	6, 854	7, 054	5, 253	1, 832
Washington	1, 197	1, 197	771	771	443	365
West Virginia	1, 208	500	500	520	500	---
Wisconsin	3, 020	3, 020	2, 820	1, 046	1, 046	786
District of Columbia	4, 000	4, 000	4, 193	1, 449	794	348
Alaska	325	325	325	325	325	175
Hawaii	900	800	684	1, 048	914	514
Puerto Rico	21, 778	20, 892	16, 994	11, 786	9, 206	968
Virgin Islands	570	570	420	350	350	---

[1] Excludes 2,222 units reactivated under Public Law 301.
[2] Excludes five States with no enabling legislation (Iowa, Kansas, Oklahoma, Utah, and Wyoming).
[3] Reactivated units do not pass through these stages.

TABLE 5.—*Housing Act of 1949:*[1] *Reservations issued, places with approved preliminary plans and projects processed through selected progress stages, by State, as of December 31, 1952*

State [2]	Places with reservations [3]	Places with preliminary loan approved [3]	Tentative site approved [3]	Projects: Annual contributions contract approved	Projects: Placed under construction	Projects: Completed
Total	1,126	1,091	1,595	1,443	1,040	[3] 612
Alabama	97	95	123	105	74	58
Arizona	13	13	14	9	8	7
Arkansas	6	6	16	18	16	12
California	74	69	97	103	65	50
Colorado	2	2	10	10	8	3
Connecticut	19	16	18	18	11	4
Delaware	1	1	2	2	2	----------
Florida	37	32	45	40	30	18
Georgia	167	166	254	233	171	125
Idaho	1	1	----------	1	1	1
Illinois	75	72	84	79	53	17
Indiana	7	7	14	13	8	4
Kentucky	18	18	31	33	23	9
Louisiana	31	28	44	48	38	16
Maine	2	2	2	2	1	1
Maryland	5	5	15	13	9	5
Massachusetts	27	26	40	32	22	9
Michigan	16	16	17	18	15	6
Minnesota	10	10	13	9	7	7
Mississippi	27	27	40	30	17	11
Missouri	2	2	7	7	5	1
Montana	4	4	4	4	2	1
Nebraska	1	1	3	3	3	2
Nevada	2	2	1	1	1	1
New Hampshire	3	2	4	4	2	1
New Jersey	36	35	62	57	45	25
New Mexico	1	1	1	2	2	1
New York	21	21	44	39	29	5
North Carolina	23	22	45	44	39	24
North Dakota	2	2	----------	----------	----------	----------
Ohio	14	11	10	6	----------	----------
Oregon	9	9	8	7	4	4
Pennsylvania	46	45	63	58	38	16
Rhode Island	4	4	6	8	7	2
South Carolina	41	40	71	71	25	18
South Dakota	----------	----------	----------	----------	----------	----------
Tennessee	32	32	69	60	47	27
Texas	125	125	176	162	140	104
Vermont	----------	----------	----------	----------	----------	----------
Virginia	9	9	21	22	17	3
Washington	17	17	14	14	8	4
West Virginia	4	1	1	2	1	----------
Wisconsin	4	4	9	5	5	2
District of Columbia	1	1	11	4	3	1
Alaska	4	4	4	4	4	3
Hawaii	2	1	3	4	3	2
Puerto Rico	82	82	76	37	29	2
Virgin Islands	2	2	3	2	2	----------

[1] Excludes three projects reactivated under Public Law 301.
[2] Excludes five States with no enabling legislation (Iowa, Kansas, Oklahoma, Utah and Wyoming).
[3] Reactivated projects do not pass through these stages.

TABLE 6.—*Combined balance sheet, as of June 30, 1952* [1, 2]

	Total	United States Housing Act program [3]	Public War housing program	Homes conversion program	Veterans reuse housing program	Subsistence homesteads and greentowns program
ASSETS						
Cash	[4] $80,452,782	$20,760,051	[4] $58,674,149	[4] $56,762	[4] $442,317	[4] 519,503
Accounts receivable:						
Government agencies	148,852		148,852			
Administrative program (PHA)	735		735			
Other programs (PHA)	4,564	554	15			3,995
Local authorities and other local bodies	[5] 9,058,281	3,240,754	4,435,858		[5] 1,381,669	
Other	587,973	46,414	507,778		17,161	16,620
Less allowance for losses	[6, 15] 359,521	[15] 9,655	[15] 207,913		[6, 15] 141,176	[15] 777
	9,440,884	3,278,067	4,885,325		1,257,654	19,838
Advances:						
Government agencies	6,300		6,300			
Local authorities	[7] 2,056,756	[7] 511,730	1,545,026			
Other	84,379				84,379	
Less allowance for losses	[8, 15] 84,379				[8, 15] 84,379	
	2,063,056	511,730	1,551,326			
Accrued interest receivable:						
Accrued interest	[7] 7,294,263	[7] 7,268,359	25,714			190
Less allowance for losses	165,000	165,000				
	7,129,263	7,103,359	25,714			190
Loans and investments:						
Local authorities loan notes	[7] 328,227,661	[7] 328,227,661				
Local authorities "B" bonds	271,571,000	271,571,000				
Other	20,199,139	5,973,006	14,148,396			77,737
Less allowance for losses	[15] 1,200,000	[15] 1,200,000				
	618,797,800	604,571,667	14,148,396			77,737
Conditional conveyance contracts	3,720,780	3,720,780				
Less allowance for amortization	80,920	80,920				
	[9] 3,639,860	[9] 3,639,860				

Land, structures and equipment:						
Development costs	1,274,248,916	229,964,361	997,703,222	----	23,911,273	22,670,060
Less allowance for depreciation	43,264,437	38,328,076	----	----	----	4,936,361
	[10] 1,230,984,479	[10] 191,636,285	[10] 997,703 222	----	[10] 23,911,273	[10] 17,733,699
Prepaid payments in lieu of taxes and other prepaid expenses	538,394	11,542	404 136	----	39,443	83,273
Incompleted contracts (contra)	9,751,086	----	9,751,086	----	----	----
Annual leave accrued (contra)	[11] 3,508,200	1,451,100	1,034,300	----	70,100	52,700
Total	1,966,305,804	832,963,661	1,089,077,654	56,762	25,720,787	18,486,940
LIABILITIES						
Liabilities:						
Government agencies	306,149	24,446	235,529	----	26,445	19,729
Administrative program (PHA)	48,000	----	----	48,000	----	----
Other programs (PHA)	4,564	----	3,995	----	569	----
Local authorities and other local bodies	[12] 4,856,103	[12] 4,467,377	388,726	----	----	----
Contractors and vendors, defense housing development costs	3,918,480	----	3,918,480	----	----	----
Accounts payable and accrued liabilities	[13] 5,086,484	293,151	[13] 4,986,100	----	[13] 271,072	[13] 136,161
	14,849,780	4,784,974	9,562,830	48,000	298,086	155,890
Trust and deposit liabilities	405,685	----	354,478	----	----	51,207
Deferred credits	[14] 1,474,028	[14] 1,002,563	466,573	----	3,711	1,181
Reserves	[14] 6,427,827	[14] 6,427,827	----	----	----	----
Contract awards (contra)	9,751,086	----	9,751,086	----	----	----
Accrued annual leave (contra)	[11] 3,508,200	1,451,100	1,034,300	----	70,100	52,700
Appropriations for annual contributions to local authorities:						
Net appropriations available	92,146,559	92,146,559	----	----	----	----
Less payments and obligations	90,362,329	90,362,329	----	----	----	----
	1,784,230	1,784,230	----	----	----	----
Net investment of United States Government (table 7)	1,928,104,968	817,512,967	1,067,008,387	8,762	25,348,890	18,225,962
Total	1,966,305,804	832,963,661	1,089,077,654	56,762	25,720,787	18,486,940

[1] This represents the combined balance sheet of all programs now under the jurisdiction of the Public Housing Administration, except the administrative program. Defense housing pursuant to PL-139, Title III, 82d Congress, has been included with the public war housing program for administrative and accounting purposes. The homes conversion program has been terminated by the liquidation of all outstanding obligations, the deposit of remaining funds into the General Fund of the United States Treasury, and the transfer of residual assets to the public war housing program. This statement concludes reporting for the homes conversion program.

[2] At June 30, 1952, there were contingent liabilities for suits and claims against PHA of approximately $13,500,000 applicable to the following programs:

United States Housing Act program	$1,100,000
Public war housing program	9,900,000
Veterans reuse housing program	2,500,000
Total	13,500,000

Over 700 suits totaling approximately $6,500,000 arose out of the Columbia River flood damage at the Vanport, Oregon and Vancouver, Washington areas; a lower court recently rendered an opinion on a portion of the suits in favor of the Government.

With respect to the remaining suits and claims, it is the opinion of PHA operating officials that they will be settled for less than 20 percent of the stated amounts. Included therein are some that are applicable to terminated Homes Conversion Leaseholds, which, if approved, will be paid from the Public war housing program. There may also be additional claims of an indeterminate amount arising from contractual agreements to rehabilitate property upon termination of projects and leases.

[3] As of June 30, 1952, there was a maximum contingent liability of $266,741 for payments in lieu of taxes on (*a*) Federally owned projects for which cooperation agreements had not been entered into with local taxing bodies or for which existing cooperation agreements do not provide for maximum payments in lieu of taxes authorized in the Housing Act of 1949, and (*b*) locally owned projects for which existing annual contributions contracts do not provide for maximum payments in lieu of taxes.

Of this amount $105,227 has been recorded as expenses and direct liabilities in the books and accounts of local authorities operating Federally owned projects under lease, and are so reflected in these statements, and $161,514 is not reflected in the accounts or accompanying statements, as follows:

Federally owned projects under lease to local authorities	$79,070
Locally owned projects	82,444
Total	161,514

[4] Includes $9,743,903 of unobligated revenue receipts to be deposited into the General Fund of the United States Treasury as follows:

Public war housing program	$9,481,043
Homes conversion program	5,407
Veterans reuse housing program	119,953
Subsistence homesteads and greentowns program	137,500
Total	9,743,903

Also included are $25,000,000 reserved for expenses and disposition of Public war housing properties (pursuant to Section 605 (c) Public Law 475, 81st Congress) and unexpended development funds for defense housing in the amount of $14,303,011.

[5] Does not include $465,372 of accumulated net income of projects operated by local bodies under contracts which provide for settlement, at the termination of the contract, of any cumulative net income.

[6] Includes an amount of $130,625 for possible losses on accounts receivable from local bodies for expenditures which PHA has determined to be ineligible under the terms of the contracts with these local bodies.

[7] Includes advances aggregating $64,778, accrued interest totaling $17,005 and loans in the amount of $818,000 for two projects which are temporarily in the possession of PHA pending permanent financing.

[8] An allowance for losses has been established in the amount of claims against contractors ($84,379) pending settlement of litigation.

[9] The amount of $3,639,860 represents the unamortized interest of PHA in farm labor camp projects transferred to local bodies under contracts by which they are to return all net income derived from these projects for a period of twenty years.

In addition, local authorities have entered into contracts for future conveyance to them of permanent war housing projects for low-rent use covering 92 projects having a capital asset book value of approximately $104,000,000.

[10] Under the United States Housing Act of 1937 (Public Law 412) the Public Housing Administration was authorized to render financial assistance to communities to provide housing for families in the lowest income group. During the fiscal years 1943 and 1944 the Public Housing Administration took title to the 32 projects in the State of Ohio because of a decision of the State Supreme Court holding that such projects were not exempt from taxation which was one of the requirements for financial assistance of the Federal Government. Subsequent State legislation conferred tax exemption on such projects. One of these projects was reconveyed to a local authority during the fiscal year 1951 and it is anticipated that the remaining projects will be reconveyed during fiscal year 1953.

This classification also includes the book value of 29 farm labor camps remaining from a group of 39 camps transferred from the Department of Agriculture on June 10, 1950. Of the remaining 29, 1 camp is directly operated by PHA, 2 camps are operated under a "Revocable Use Permit" by local bodies and 26 camps having a net book value of $8,807,171 are under "Contracts of Purchase and Sale".

A physical inventory of land, structures, and dwelling equipment was taken in the Public war housing program in fiscal year 1951. A physical inventory of nondwelling equipment was taken as of September 30, 1951. The book values of these assets except nondwelling buildings and structures have been adjusted to the physical inventories based on costs reflected by the records. No provision has been made for depreciation on structures and equipment.

Dwelling furniture and furnishings ($10,766,566) are included herein based on physical inventories taken as of May 31, 1951 and valued at estimated average purchase prices, adjusted to physical inventories taken at 104 projects during fiscal year 1952. Because of the workload involved, physical inventories, which are ordinarily required to be taken once each year, are taken on a staggered basis and not concurrently as of each June 30. However, this requirement was administratively waived for fiscal year 1952 to permit adjustment of rotation of inventories over a 2 year period after May 31, 1951, after which time the requirement for an annual inventory and adjustment is to be resumed.

Adjustments to the physical inventory of dwelling and nondwelling equipment are based on reports submitted quarterly, giving effect to acquisitions and dispositions for the period. Such reports (with the exception of 48 received too late to be processed and 85 which needed further investigation for identification) have been processed through the quarter ended March 31, 1952.

The development cost for defense housing pursuant to PL-139, Title III, 82d Congress, includes expenditures and obligations of $10,102,429 and assets transferred from other PHA programs in the amount of $2,907,455. It does not include the value of 300 trailers transferred from the Office of the Administrator, HHFA.

Land, structures and equipment in the veterans reuse housing program are reflected herein substantially at cost. No provision has been made for depreciation on structures and equipment. Construction costs of temporary housing projects, to house war veterans and operated by local bodies, were paid from funds of this program. These projects are to be demolished when the emergency need ends. Construction and equipment costs for all such projects were written off upon completion of construction.

The amount of $23,911,273 includes the book value of approximately 45 acres and 137 buildings at Manhattan Beach, Brooklyn, N. Y., in the amount of $8,781,923. Public Law 684 (81st Congress) approved August 10, 1950, and quitclaim deed dated October 11, 1950 conveyed title to the land to the State of New York. Negotiations to convey title to the buildings to the State of New York are now in progress and it is anticipated that the transfer will be consummated in fiscal year 1953, at which time the amount of $8,781,923 will be written off the books of account.

With respect to the subsistence homesteads and greentowns program, a reclassification of land, structures and equipment, between depreciable and nondepreciable assets was effected in the current fiscal year for the properties at Greenbelt, Md., resulting in a decrease of $2 8,320 in the previously accrued allowance for depreciation. No adjustment to property accounts for the Greendale, Wis. properties was made since disposition of this project is anticipated in fiscal year 1953.

[11] This includes $1,745,273 of accrued annual leave of administrative employees, which amount has been allocated to the operating programs on the basis of workload data.

[12] Under Public Law 171, annual contributions are permitted to be paid to local authorities in two installments. The amount of $4,467,377 includes $4,158,226 comprising the second annual contribution installment payable to local authorities in fiscal year 1953, the first installment having been paid in fiscal year 1952.

[13] The accounts payable and accrued liabilities and their related expense and cost accounts include $2,123,851 of unliquidated obligations for services and materials which had not been rendered nor received at June 30, 1952, as follows:

Public war housing program	$2,055,205
Veterans reuse housing program	49,555
Subsistence homesteads and greentowns program	19,091
Total	2,123,851

[14] Includes $997,623 of deferred income and $284,310 of reserves for technical services to be provided at project sites.

Fees authorized in the annual appropriations act (Public Law 759, 81st Congress), for technical services in connection with locally owned projects, financed under the provisions of Public Law 171, are based on development costs and are accumulated for the payment of the costs of such services rendered and to be rendered to the local authorities during the development and construction of projects.

[15] Indicates negative item.

TABLE 7.—*Combined statement of investment of United States Government, as of June 30, 1952* [1]

	Total	United States Housing Act program [2]	Public war housing program	Homes conversion program	Veterans reuse housing program	Subsistence homesteads and greentowns program
Interest-bearing investment:						
Notes (payable to United States Treasury)	[3] $655,000,000	[3] $655,000,000				
Noninterest-bearing investment:						
Capital stock issued to Secretary of the Treasury	1,000,000	1,000,000				
Appropriations for:						
Development of housing	[4] 2,140,751,296		[4] $1,613,883,265	$90,112,756	$442,755,275	
Administrative expenses:						
Expended	22,270,000	22,270,000				
Unexpended	720,900	720,900				
Assets transferred from other Government agencies	355,362,985	160,722,638	115,958,341		16,228,515	$62,453,491
Assets acquired through claims settlements paid by other Government agencies for PHA	260,006		260,006			
Assets transferred from other programs (PHA)	[5] 33,451,401	91,240	3,096,997	111,242	30,151,922	
Surplus assets reassigned from other programs (PHA)	[6] 194,158			193,966		192
Reserve for expenses of disposition of properties (pursuant to sec. 605 (c) Public Law 475, 81st Cong.)	25,000,000		25,000,000			
Total noninterest-bearing investment	2,585,010,746	184,804,778	1,758,198,609	90,417,964	489,135,712	62,453,683
Total investment	3,240,010,746	839,804,778	1,758,193,609	90,417,964	489,135,712	62,453,683
Reduction of investment:						
Assets transferred to other Government agencies	203,402,862		198,537,885	4,028	2,931,686	1,929,363
Assets transferred to other programs (PHA)	[5] 28,365,365	4,951	25,293,642	121,266	2,923,896	21,610
Amount withheld for reserve for expenses of disposition of properties	25,000,000		25,000,000			
Cash deposited into the general fund of the United States Treasury	419,125,408		339,881,360	29,272,699	32,616,930	17,354,419
Deficit (table 8)	636,012,043	22,286,860	102,477,335	61,011,209	425,314,310	24,922,329
Total reduction of investment	1,311,905,778	22,291,811	691,190,222	90,409,202	463,786,822	44,227,721
Net investment of United States Government	1,928,104,968	817,512,967	1,067,008,387	8,762	25,348,890	18,225,962

[1] Excludes programs previously administered by the Public Housing Administration but which are now liquidated.

[2] Excludes unexpended balance of $1,784,230 of appropriations for annual contributions as follows:

Net appropriations available	$92,146,559	
Less payments and obligations	90,362,329	
		$1,784,230

[3] The Public Housing Administration may issue and have outstanding at any one time notes and other obligations for purchase by the Secretary of the Treasury in an amount not to exceed $1,500,000,000.

[4] Includes $24,405,440 of appropriations for defense housing pursuant to Public Law 139, Title III, 82d Congress.

[5] The difference of $5,086,036 between assets transferred from other programs (PHA) ($33,451,401) and assets transferred to other programs (PHA) ($28,365,365) consists of transfers to and from programs which are not included in this statement, as follows:

Transfers from the Surplus Property Act program to the veterans reuse housing program	5,062,457	
Net transfers from the public war housing program to the administrative program	25,038	
Total	5,087,495	
Less transfers to the administrative program from the subsistence homesteads and greentowns program	1,459	
		5,086,036

[6] Represents the value of reassigned surplus assets recorded in these programs for accountability purposes but not credited to transferring programs.

TABLE 8.—*Combined statement of deficit, as of June 30, 1952*

	Total	United States Housing Act program	Public war housing program	Homes conversion program [1]	Veterans reuse housing program	Subsistence homesteads and greentowns program
Deficit, June 30, 1951	$637,310,060	$13,147,698	$109,797,060	$60,944,591	$429,515,894	$23,904,817
Adjustments to beginning balance:						
Management	11,997	[2] 729,326	[7] 328,244	[7] 22,783	[7] 88,153	[5] [7] 278,149
Disposition	[7] 6,497,181	[7] 12,910	[3] [7] 3,261,288	19,373	[4] [7] 3,209,497	[7] 32,859
Administrative	[7] 119,880	[7] 78,100	[7] 32,900	[7] 3,080	[7] 4,600	[7] 1,200
Net adjustments	[7] 6,605,064	638,316	[7] 3,622,432	[7] 6,490	[7] 3,302,250	[7] 312,208
Deficit, June 30, 1951, as adjusted	630,704,996	13,786,014	106,174,628	60,938,101	426,213,644	23,592,609
Net income [7] or loss for the fiscal year ended June 30, 1952 (table 9)	5,307,047	8,500,846	[7] 3,697,293	73,108	[7] 899,334	1,329,720
Deficit, June 30, 1952 (table 7)	636,012,043	22,286,860	102,477,335	61,011,209	[6] 425,314,310	24,922,329

[1] The homes conversion program has been terminated and the figures shown in this column reflect the final operating results of the program.

[2] Includes charges of $885,184 of payments in lieu of taxes for those local authorities which entered into new cooperation agreements with local taxing bodies or revised existing agreements during fiscal year 1952, to provide for maximum payments.

[3] The major portion of this item represents the reestablishment of property previously written off as a valuation adjustment of physical inventory of property.

[4] Includes reacquisition of $3,395,338 of property previously transferred to local bodies.

[5] Includes an adjustment of $268,320 arising from a reclassification of depreciable and nondepreciable property at Greenbelt, Md.

[6] Does not include $468,372 (fiscal year 1952, $118,063; prior fiscal years $350,309) of accumulated net income of projects operated by local bodies under contracts which provide for settlement, at the termination of the contract, of any cumulative net income.

[7] Indicates negative item.

TABLE 9.—*Combined statement of income and expenses for the fiscal year ended June 30, 1952*

	Total	United States Housing Act program	Public war housing program	Homes conversion program [1]	Veterans reuse housing program	Subsistence homesteads and greentowns program
MANAGEMENT						
Income:						
Interest earned on loans	$15,427,886	$14,872,628	$531,142			$24,116
Project operations (net):						
Directly operated projects	13,248,399	[4] 6,263	13,282,271		$43,799	[4] 71,408
Leased projects	13,732,519	[4] 3,143,450	16,875,969			
Other	1,921,842	[4] 1,976	93,634		1,830,184	
Technical service fees	2,075,617	2,075,617				
Less cost of technical services	[4] 2,075,617	[4] 2,075,617				
Other	39,224		38,429			795
Total	44,369,870	11,720,939	30,821,445		1,873,983	[4] 46,497
Expenses (unallocated):						
Interest on borrowings from United States Treasury	10,179,214	[2] 10,179,214				
Provision for losses on loans and accrued interest	694,800	694,800				
Collection losses on accounts receivable	[4] 227,875	1,154	45,173	[4] 10,909	[3] [4] 263,293	
Administrative expenses	11,985,000	9,320,000	2,608,000			57,000
Other	44,513	754	43,759			
Total	22,675,652	20,195,922	2,696,932	[4] 10,909	[4] 263,293	57,000
Net management income (or loss [5])	21,694,218	[5] 8,474,983	28,124,513	10,909	2,137,276	[5] 103,497
PROPERTY DISPOSITIONS						
Costs (at book value):						
Property sold	18,242,879	4,425,287	13,307,349		111,892	398,351
Property dedications to local bodies	1,866,568		1,002,746		91,148	772,674
Other transfers to local bodies	10,929,674	80,920	10,018,451		830,303	
Other dispositions	1,576,512		1,566,156			10,356
Total	32,615,633	4,506,207	25,894,702		1,033,343	1,181,381
Disposition expenses:						
Direct expenses	368,781	1,430	272,136	1,017	4,160	90,038
Administrative expenses	1,115,000		705,000	83,000	257,000	70,000
Nonadministrative allocated expenses	237,000		213,000		24,000	
Other	3,328		234		3,094	
Total	1,724,109	1,430	1,190,370	84,017	288,254	160,038
Proceeds from sales of property	[4] 7,338,477	[4] 4,481,774	[4] 2,657,852		[4] 83,655	[4] 115,196
Net loss from property dispositions	27,001,265	25,863	24,427,220	84,017	1,237,942	1,226,223
Total net income (or loss [5]) for the fiscal year ended June 30, 1952 (table 8)	[5] 5,307,047	[5] 8,500,846	3,697,293	[5] 73,108	899,334	[5] 1,329,720

[1] The homes conversion program has been terminated and the activity shown in this column reflects final expenses of liquidating the program.

[2] During the fiscal year ended June 30, 1952, total interest expense incurred on borrowings from the United States Treasury amounted to $11,860,087. Interest expense is first allocated to the operations of Federally owned projects developed under Public Laws 412 and 671 and the remainder is considered to be the interest expense applicable to borrowings required in financing development programs of local authorities. During the current fiscal year interest expense allocated to and included in operation of Federally owned projects (leased) amounted to $1,680,873.

[3] The major portion of this item represents the reversal of previously established allowance for possible losses on accounts receivable from local bodies.

[4] Negative item.

[5] Indicates loss.

TABLE 10.—*Combined statement of sources and application of funds for the fiscal year ended June 30, 1952*

	Total	United States Housing Act program	Public war housing program	Homes conversion program[1]	Veterans reuse housing program	Subsistence homesteads and greentowns program
FUNDS PROVIDED						
By realization of assets:						
Sales of property	$7,205,211	$4,481,774	$2,524,586		$83,655	$115,196
Repayment of loans	466,465,109	463,348,939	931,589			2,184,581
Other adjustments of assets	173,621		38,065	$38,859	96,697	
Total	473,843,941	467,830,713	3,494,240	38,859	180,352	2,299,777
By income:						
Interest earned on loans	15,427,886	14,872,628	531,142			24,116
Gross income, directly operated projects	43,894,297	763,332	41,129,533		749,089	1,252,343
Net income, leased and other projects	20,631,084	1,801,038	16,994,466		1,835,580	
Technical service fees	2,075,617	2,075,617				
Other	41,518	962	38,637		1,123	796
Total	82,070,402	19,513,577	58,693,778		2,585,792	1,277,255
By borrowings from United States Treasury	431,000,000	431,000,000				
By appropriations for:						
Development of defense housing	24,405,440		24,405,440			
Annual contributions	13,600,000	13,600,000				
Administrative expenses	10,040,900	10,040,900				
Total	48,046,340	23,640,900	24,405,440			
By net income applicable to prior years	579,725	805	563,100	4,581		11,239
By decrease in working capital	3,591,894			161,372	3,419,633	10,889
Total funds provided	1,039,132,302	941,985,995	87,156,558	204,812	6,185,777	3,599,160
FUNDS APPLIED						
To acquisition of assets:						
Land, structures and equipment	13,269,355	2,262,183	10,416,412	153	582,824	7,783
Purchase of local authority obligations	622,349,643	622,349,643				
Total	635,618,998	624,611,826	10,416,412	153	582,824	7,783
To expenses:						
Interest on borrowings from United States Treasury	11,860,087	11,860,087				
Operating and other expenses, directly operated projects	30,146,969	619,723	27,853,829		703,874	969,543
Cost of technical services	2,075,617	2,075,617				
Other management expenses	57,236	504	56,221			511
Disposition expenses	661,246	1,430	485,370	37,669	36,793	99,984
Administrative expenses	13,100,000	9,320,000	3,313,000	83,000	257,000	127,000
Total	57,901,155	23,877,361	31,708,420	120,669	997,667	1,197,038
To annual contributions	12,544,002	[2] 12,544,002				
To net loss applicable to prior years	657,364	654,067			3,297	
To retirement of borrowings and capital:						
Payments on United States Treasury notes	265,000,000	265,000,000				
Assets transferred to Government agencies or other programs (PHA)	58,177	11,111	39,405	4,531	84	3,046
Cash deposited into the general fund of United States Treasury	34,246,618		27,973,961	9,459	3,871,905	2,391,293
Rescission of appropriations for development of housing	800,000			70,000	730,000	
Total	300,104,795	265,011,111	28,013,366	83,990	4,601,989	2,394,339
To increase in working capital	32,305,988	15,287,628	17,018,360			
Total funds applied	1,039,132,302	941,985,995	87,156,558	204,812	6,185,777	3,599,160

[1] The homes conversion program has been terminated by the liquidation of all outstanding obligations, the deposit of remaining funds into the general fund of the United States Treasury, and the transfer of residual assets to the public war housing program.

[2] Represents current year transactions of $12,565,987 less $21,985 of prior year adjustments.

TABLE 11.—*Statement of financing commitments as of June 30, 1952, United States Housing Act program*

Commitments financed:		
Outstanding obligations of local authorities held by PHA:		
Loan notes	$328, 227, 661	
Mortgage note	5, 138, 000	
Series "B" bonds	271, 571, 000	
Total	[1] 604, 936, 661	
Federally owned projects:		
Development costs, PL–412 projects	46, 617, 924	
Development costs, PL–671 projects	34, 750, 877	
		$686, 305, 462
Commitments for financing:		
Guarantee of temporary financing of local authorities, through private sources, including provision for interest to maturity, for which the Public Housing Administration holds escrow notes of local authorities	529, 617, 000	
Other Commitments not financed	261, 989, 067	
		791, 606, 067
Total financing commitments (table 12)		1, 477, 911, 529

NOTE:—The initial financing of a project during its first development period is by means of direct loans from the PHA or through the sale of temporary loan notes of the local authorities.

When total development costs can be determined with reasonable accuracy, permanent financing is provided through the sale of long-term serial bonds of the local authorities.

It is anticipated that the major portion of the commitments that are still to be financed, will be financed by the sale of temporary loan notes and long-term serial bonds to private investors.

[1] In addition to the Notes and Series "B" Bonds issued to and held by the Public Housing Administration in the amount of $604,936,661, local authorities had other Notes, Series "A" Bonds and New Housing Authority Bonds outstanding at June 30, 1952, as follows:

Temporary Loan Notes (principal amount included in Commitments of $529,617,000 stated above)	$525, 637, 500
(*a*) Series "A" Bonds	123, 940, 500
(*b*) New Housing Authority Bonds	461, 805, 000
	1, 111, 383, 000

The amounts in (a) and (b) above are not included in Commitments; payable from project income and annual contributions.

TABLE 12.—*Statement of the status of financing and annual contributions commitments as of June 30, 1952, United States Housing Act program* [1]

Commitments status	Maximum development costs	PHA financing commitments	Annual contributions commitments
Locally owned projects:			
PL-412:			
Loan contracts	$17,167,125	$12,237,992	$561,176
Loan-mortgage note	----------	5,138,000	----------
Construction award approvals and final budgets	34,531,836	31,078,653	1,203,395
Permanent financing:			
Series "B" bonds held by the Public Housing Administration	449,051,786	271,571,000	14,315,205
Short term loan notes issued by the Puerto Rico local authorities, guaranteed by the Public Housing Administration	11,355,500	9,098,500	359,128
Unapplied commitment balance [2]	8,053,390	7,207,021	255,504
Total PL-412 projects	520,159,637	336,331,166	16,694,408
PL-671:			
Loan contracts	1,586,000	1,343,000	55,510
Construction award approvals and final budgets	138,455,922	138,455,922	4,243,932
Physical completion	5,770,615	5,770,615	189,787
Unapplied commitment balance [2]	7,932,835	7,907,835	243,795
Total	153,745,372	153,477,372	4,733,024
Less liquidations	21,053,839	21,053,839	----------
Total PL-671 projects	132,691,533	132,423,533	4,733,024
PL-171:			
Preliminary loan contracts	----------	22,832,112	----------
Loan contracts	768,157,565	188,163,312	34,567,044
Construction award approvals and final budgets	1,155,539,900	687,603,394	52,052,105
Permanent financing—bonds	462,877,890	----------	20,532,105
Permanent financing—notes	179,088	147,522	8,059
Physical completion	5,954,127	----------	247,995
Unapplied commitment balance [2]	60,350,959	26,256,288	2,715,713
Total PL-171 projects	2,453,059,529	925,002,628	110,123,021
Total all locally owned projects	3,105,910,699	1,393,757,327	131,550,453
Federally owned projects (PHA):			
PL-412—Repossessions	54,974,406	54,974,406	----------
PL-671—Directly constructed	41,066,021	41,066,021	----------
Total	96,040,427	96,040,427	----------
Less depreciation	11,886,225	11,886,225	----------
Total all federally owned projects (PHA)	84,154,202	84,154,202	----------
Total commitments all locally and federally owned projects	3,190,064,901	1,477,911,529	[3] 131,550,453

[1] Maximum development costs and commitments are reflected herein according to the applicable Public Law under which loan and annual contributions contracts were in effect at June 30, 1952.

[2] These amounts represent the difference between the maximum provided for by contracts and the latest requirements of local authorities, as approved by PHA.

[3] Total authorized annual contributions amounted to $223,000,000 at June 30, 1952, composed of $28,000,000 authorized under PL-412 and $195,000,000 authorized under PL-171.

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TABLE 13.—*Statement of development costs and loans for locally owned projects as of June 30, 1952* [1]

	Development costs	PHA loan commitments	Outstanding loans of local authorities			
			From PHA	Temporary from others	Permanent from others	Total outstanding loans
All locally owned projects	[2] $3,050,627,354	[2] $1,350,607,910	[3] $600,025,078	$525,637,500	$585,745,500	$1,711,408,078
PL-412 projects	512,106,247	[4] 329,124,145	[4] 278,145,511	26,523,500	123,940,500	428,609,511
PL-671 projects	[5] 145,812,537	[5] 145,569,537	840,788	120,783,000	----------	121,623,788
PL-171 projects	2,392,708,570	[6] 875,914,228	[6] 321,038,779	378,331,000	461,805,000	1,161,174,779
State:						
Alabama	90,369,772	44,005,273	40,627,526	1,198,000	25,541,000	67,366,526
Arizona	9,622,041	3,962,700	2,702,064	819,000	5,004,000	8,525,064
Arkansas	19,060,486	5,477,631	4,421,237	155,000	12,368,000	16,944,237
California	260,059,432	111,628,205	17,889,618	39,822,000	31,244,000	88,955,618
Colorado	31,287,960	16,239,100	1,668,000	13,750,000	353,000	15,771,000
Connecticut	63,000,672	35,420,463	19,689,614	10,292,000	13,843,000	43,824,614
Delaware	6,443,800	3,272,400	390,245	1,640,000	----------	2,030,245
Florida	58,641,644	32,114,871	21,268,359	9,554,000	11,832,000	42,654,359
Georgia	126,132,394	67,133,671	62,522,695	853,000	36,121,000	99,496,695
Idaho	1,237,000	449,000	318,305	----------	740,000	1,058,305
Illinois	236,574,032	59,299,682	23,441,531	29,428,000	30,425,000	83,294,531
Indiana	39,422,970	18,494,907	10,151,507	4,570,000	769,000	15,490,507
Kentucky	72,968,144	48,053,173	22,493,503	14,340,000	7,705,000	44,538,503
Louisiana	106,623,414	42,370,539	29,332,209	3,674,000	27,397,000	60,403,209
Maine	640,777	523,731	291,158	----------	----------	291,158
Maryland	74,549,781	19,298,538	9,625,979	3,565,000	30,863,000	44,053,979
Massachusetts	132,852,724	50,884,077	32,399,537	11,550,000	32,684,000	76,633,537
Michigan	66,141,561	54,727,878	9,379,115	28,074,000	3,690,000	41,143,115
Minnesota	22,694,103	6,483,959	5,830,987	----------	9,270,000	15,100,987
Mississippi	17,036,410	9,440,190	6,852,666	736,000	4,227,000	11,815,666
Missouri	87,693,740	13,932,485	4,617,200	4,655,000	15,190,000	24,462,200
Montana	4,231,285	2,993,344	2,179,716	353,000	135,000	2,667,716
Nebraska	11,903,000	1,664,700	1,664,700	----------	7,267,000	8,931,700
Nevada	1,024,000	----------	----------	----------	1,024,000	1,024,000
New Hampshire	3,864,117	2,722,520	118,290	2,078,000	----------	2,196,290
New Jersey	181,234,294	110,030,848	48,904,752	45,889,000	24,600,000	119,393,752
New Mexico	723,000	----------	----------	----------	723,000	723,000
New York	430,899,641	145,710,150	22,514,199	113,880,000	79,452,000	215,846,199
North Carolina	70,461,851	31,633,853	23,010,436	793,000	28,022,000	51,825,436
Ohio	4,011,850	[4] 5,362,000	[4] 5,198,000	----------	----------	5,198,000
Oregon	3,776,748	3,492,654	899,224	1,872,000	----------	2,771,224
Pennsylvania	197,204,948	87,343,839	40,587,274	37,249,000	29,491,000	107,327,274
Rhode Island	32,883,324	18,070,564	2,592,697	12,766,000	7,579,000	22,937,697
South Carolina	32,166,061	15,531,003	13,157,772	666,000	9,767,000	23,590,772
Tennessee	101,620,986	39,699,197	21,455,103	13,410,000	32,291,000	67,156,103
Texas	196,130,882	103,953,011	52,100,976	43,762,000	34,773,500	130,636,476
Virginia	81,507,470	51,825,292	19,442,121	16,558,000	6,473,000	42,473,121
Washington	12,666,688	8,106,018	4,094,118	3,074,000	3,309,000	10,477,118
West Virginia	13,745,101	7,147,136	6,261,761	----------	1,733,000	7,994,761
Wisconsin	15,899,343	12,138,124	924,486	10,925,000	----------	11,849,486
District of Columbia	31,849,655	14,346,094	7,163,764	5,425,000	3,157,000	15,745,764
Alaska	5,406,461	4,703,634	243,634	3,089,000	----------	3,332,634
Hawaii	14,347,282	2,791,200	1,599,000	500,000	6,082,000	8,181,000
Puerto Rico	75,507,869	36,655,600	----------	33,823,500	10,601,000	44,424,500
Virgin Islands	4,508,641	1,474,656	----------	850,000	----------	850,000

[1] Data are reflected herein according to the applicable public law under which loan and annual contributions contracts were in effect at June 30, 1952.

[2] Excludes unapplied funds representing the difference between the maximum amounts provided for by contracts and the latest requirements of local authorities, as follows:

	Development costs	*PHA loan commitments*
PL-412 projects	$8,053,390	$7,207,021
PL-671 projects	7,932,835	7,907,835
PL-171 projects	60,350,959	26,256,288
Total unapplied	76,337,184	41,371,144

[3] Excludes administrative loans of $289,600 made to local authorities for operating purposes.

[4] Includes mortgage loan note of $5,138,000 covering a project sold to a local authority.

[5] Includes $21,053,839 of development costs and loan commitments which have been liquidated from operating funds.

[6] Excludes loan commitments of $22,832,112 and loan notes of $4,621,983 for preliminary surveys and planning.

TABLE 14.—*Statement of annual contributions by States for fiscal year ended June 30, 1952, and cumulative and maximum annual contributions payable under contracts as of June 30, 1952*

	Annual contributions		Maximum annual contributions payable in any 1 year under contracts as of June 30, 1952
	Fiscal year ended June 30, 1952	Cumulative to June 30, 1952	
All locally owned projects	$12,565,987	$90,362,329	[1] $128,335,441
State:			
Alabama	252,702	2,155,895	3,810,490
Arizona		202,347	393,287
Arkansas	8,801	97,507	827,560
California	734,213	1,693,818	11,137,991
Colorado		96,718	1,378,975
Connecticut	465,523	3,250,879	2,443,466
Delaware	18,323	61,201	269,970
Florida	328,957	2,971,689	2,356,373
Georgia	615,317	4,263,914	5,164,786
Idaho	22,967	92,549	48,735
Illinois	378,421	2,323,863	10,136,386
Indiana	74,062	985,077	1,628,344
Kentucky	425,386	4,069,348	3,051,295
Louisiana	1,550,550	7,611,283	4,360,210
Maine			28,835
Maryland	331,718	2,000,644	3,144,811
Massachusetts	768,241	4,781,121	5,514,742
Michigan	140,220	828,460	2,355,158
Minnesota	313,529	313,529	1,021,232
Mississippi	108,280	1,049,687	689,002
Missouri	506,791	594,763	3,901,760
Montana	36,611	314,202	153,645
Nebraska	210,590	1,224,815	507,270
Nevada			46,080
New Hampshire			177,810
New Jersey	767,595	6,936,573	7,601,608
New Mexico			32,535
New York	1,579,220	18,044,330	18,696,937
North Carolina	425,783	2,581,144	3,041,058
Ohio		207,076	180,533
Oregon	14,642	97,022	141,914
Pennsylvania	315,164	5,327,182	8,023,053
Rhode Island	7,583	171,730	1,375,366
South Carolina	340,856	1,390,049	1,333,270
Tennessee	711,207	4,045,940	4,297,096
Texas	399,855	4,289,195	8,305,746
Virginia	31,840	418,036	3,466,008
Washington	111,012	873,167	459,233
West Virginia	75,747	1,367,185	541,180
Wisconsin	7,140	11,613	705,453
Alaska			243,290
District of Columbia	77,112	749,940	1,236,852
Hawaii	220,747	403,991	627,120
Puerto Rico	289,282	2,434,847	3,246,088
Virgin Islands			202,888

[1] Excludes unapplied annual contributions commitments of $3,215,012 representing the difference between the maximum amounts provided for by contracts and the latest requirements of local authorities, as approved by PHA.

TABLE 15.—*Statement of income and expenses per unit month of availability for all federally owned projects in the United States Housing Act program, for the fiscal year ended June 30, 1952*

	All federally owned projects [1]		Directly operated projects			Leased projects				
	Total amount	Total per unit month	Total	PWA [2]	Farm labor camp	Total	PWA [2]	PL-412	PL-671	Farm labor camps [3]
Number of projects	139	139	6	5	1	133	44	31	20	38
Number of dwelling units	46, 061	46, 061	2, 033	1, 837	196	44, 028	19, 593	10, 838	7, 986	5, 611
Number of dwelling unit months of operation	568, 499	568, 499	24, 981	22, 629	2, 352	543, 518	234, 423	130, 056	90, 673	88, 366
Latest development cost	$229, 964, 361	$229, 964, 361	$10, 232, 053	$9, 936, 557	$295, 496	$219, 732, 308	$116, 071, 808	$54, 100, 881	$39, 154, 145	$9, 505, 474
Average development cost per dwelling unit	[4] 5, 096	[4] 5, 096	5, 033	5. 409	1, 508	[4] 5, 099	5, 970	4, 992	[4] 5, 499	1, 694
Income:										
Rentals:										
Dwellings	$17, 910, 004	$31. 50	$30. 30	$31. 66	$17. 22	$31. 56	$35. 41	$33. 92	$36. 59	$12. 71
Less vacancy loss	291, 560	. 51	. 72	. 13	6. 36	. 50	. 19	. 24	2. 20	(3)
Dwellings (net)	17, 618, 444	30. 99	29. 58	31. 53	10. 86	31. 06	35. 22	33. 68	34. 39	12. 71
Other	239, 770	. 42	. 64	. 69	. 08	. 41	. 68	. 02	. 44	. 24
Other	184, 720	. 33	. 34	. 36	. 09	. 32	. 34	. 42	. 34	. 16
Total income	18, 042, 934	31. 74	30. 56	32. 58	11. 03	31. 79	36. 24	34. 12	35. 17	13. 11
Expenses:										
Operating expenses:										
Management	2, 192, 686	3. 86	3. 74	3. 81	3. 07	3. 86	4. 07	3. 83	4. 15	3. 05
Operating services	1, 158, 863	2. 04	1. 85	1. 95	. 88	2. 05	2. 46	1. 73	2. 11	1. 35
Dwelling and commercial utilities	4, 891, 972	8. 61	8. 24	8. 83	2. 56	8. 62	10. 16	10. 04	8. 22	2. 87
Repairs, maintenance and replacements	5, 323, 780	9. 36	7. 52	7. 93	3. 53	9. 45	11. 38	8. 16	10. 98	4. 66
Payments in lieu of taxes	1, 280, 804	2. 25	2. 25	2. 40	. 85	2. 25	2. 49	2. 31	3. 07	. 71
Other	693, 477	1. 22	. 47	. 44	. 74	1. 26	1. 32	1. 44	1. 19	. 90
Total operating expenses	15, 541, 582	27. 34	24. 07	25. 36	11. 63	27. 49	31. 88	27. 51	29. 72	13. 54
Nonoperating expenses:										
Operating improvements	256, 859	. 45				. 47	. 73	. 24	. 47	. 14
Other	6, 256	. 01				. 01	. 01	. 02	. 02	
Total nonoperating expenses	263, 115	. 46				. 48	. 74	. 26	. 49	. 14
Collection losses—accounts receivable written off	86, 042	. 15	. 11	. 12		. 15	. 13	. 10	. 22	. 21
Total expenses (before interest, depreciation and adjustment of reserves)	15, 890, 739	27. 95	24. 18	25. 48	11. 63	28. 12	32. 75	27. 87	30. 43	13. 89

Net operating income (or loss [6]) before interest, depreciation and adjustment of reserves	2,152,195	3.79	6.38	7.10	[6] .60	3.67	3.49	6.25	4.74	[6] .78
Interest, depreciation and adjustment of reserves:										
Interest—portion allocated to federally owned projects	1,680,873	2.96	----------	----------	----------	3.09	----------	7.20	8.22	----------
Depreciation of structures and equipment	3,417,179	6.01	6.07	6.70	----------	6.01	7.38	6.36	7.78	.03
Adjustment of reserves	202,834	.36	.56	.62	----------	.35	.45	[5] .15	1.13	----------
Total	5,300,886	9.33	6.63	7.32	----------	9.45	7.83	13.41	17.13	.03
Net operating loss	3,148,691	5.54	.25	.22	.60	5.78	4.34	7.16	12.39	.81
Casualty losses:										
Cost of replacements	21,335	.04	.04	.04	----------	.04	.01	.06	.12	----------
Proceeds from casualty claims	[5] 20,313	[5] .04	[5] .04	[5] .04	----------	[5] .04	[5] .01	[5] .06	[5] .11	----------
Net casualty losses	1,022	----------	----------	----------	----------	----------	----------	----------	.01	----------
Net loss for the fiscal year ended June 30, 1952	3,149,713	5.54	.25	.22	.60	5.78	4.34	7.16	12.40	.81

PUM less than $0.005 not reflected.

[1] Does not include $1,976 of net loss on deferred project at Kimberly, Idaho, which property was disposed of November 15, 1951.
[2] Project II-4900, Virgin Islands was leased to a local authority on December 1, 1951, and income and expenses for the respective periods of operation are reflected accordingly.
[3] No vacancy loss is shown for farm labor camps inasmuch as this information is not required to be submitted by these projects.
[4] In computing the average development cost per dwelling unit for PL-671 projects, the amount of $4,759,047 of development costs has been added to the total of $39,154,145 shown in the applicable column. This addition represents devlopment costs of two projects at Baltimore, Md. and Everett, Wash., which were sold during the fiscal year but for which the periods of local authority operations are included in this column.
[5] Indicates negative item.
[6] Indicates net operating loss.

TABLE 16.—*Statement of operating receipts, operating expenditures and residual receipts for all locally owned projects eligible for annual contributions in fiscal year ended June 30, 1952*

	All locally owned projects		Projects financed under Housing Act of 1937				Projects financed under Housing Act of 1949					
			Permanently financed projects developed under PL-412		Temporarily financed projects developed under PL-671		Permanently financed projects developed under					
							PL-412		PL-671		PL-171 [1]	
	Amount	Per unit month	Amount	Per unit month	Amount	Per unit month	Amount	Per unit month	Amount	Per unit month	Amount	Per unit month
Number of projects	511		341		153		1		11		5	
Number of dwelling units	143, 866		103, 296		34, 953		1, 190		4, 064		363	
Number of dwelling-unit months of operation	1, 723, 199		1, 238, 378		419, 182		14, 280		49, 518		1, 841	
Operating receipts:												
Rentals:												
Dwellings	$53, 593, 969	$31. 10	$36, 539, 614	$29. 51	$14, 817, 429	$35. 35	$610, 958	$42. 78	$1, 580, 577	$31. 92	$45, 391	$24. 66
Less vacancy loss	520, 394	. 30	298, 975	. 24	215, 276	. 52	358	. 02	5, 612	. 11	173	. 10
Dwellings (net)	53, 073, 575	30. 80	36, 240, 639	29. 27	14, 602, 153	34. 83	610, 600	42. 76	1, 574, 965	31. 81	45, 218	24. 56
Other	1, 577, 377	. 92	1, 145, 076	. 92	364, 003	. 87	10, 001	. 70	58, 046	1. 17	251	. 14
Total operating receipts	54, 650, 952	31. 72	37, 385, 715	30. 19	14, 966, 156	35. 70	620, 601	43. 46	1, 633, 011	32. 98	45, 469	24. 70
Operating expenditures:												
Management expenses	7, 049, 458	4. 09	4, 896, 134	3. 96	1, 857, 112	4. 43	70, 804	4. 96	216, 088	4. 37	9, 320	5. 06
Operating services	2, 451, 810	1. 42	1, 692, 072	1. 37	607, 907	1. 45	51, 474	3. 61	99, 697	2. 01	660	. 36
Utilities	12, 426, 670	7. 21	8, 558, 766	6. 91	3, 374, 202	8. 05	105, 996	7. 42	378, 344	7. 64	9, 362	5. 09
Repairs, maintenance and replacements	14, 249, 289	8. 27	9, 485, 035	7. 66	4, 148, 348	9. 89	97, 589	6. 84	514, 456	10. 39	3, 861	2. 10
Payments in lieu of taxes	3, 930, 372	2. 28	2, 676, 589	2. 16	1, 080, 938	2. 58	50, 460	3. 53	122, 385	2. 47		
Insurance	713, 603	. 42	423, 371	. 34	243, 714	. 58	6, 394	. 45	39, 157	. 79	967	. 52
Collection losses	214, 094	. 12	147, 078	. 12	58, 710	. 14	350	. 02	7, 956	. 16		
Operating improvements	732, 316	. 43	520, 036	. 42	157, 730	. 38	2, 436	. 17	52, 114	1. 05		
Adjustment of provision for operating reserves (net)	[3] 1, 417, 999	[3] . 82	[3] 689, 135	[3] . 56	[3] 571, 148	[3] 1. 36	[3] 71, 646	[3] 5. 02	[3] 87, 086	[3] 1. 76	1, 016	. 55
Debt service requirements in excess of maximum annual contribution	949, 270	. 55	915, 089	. 74			34, 181	2. 39				
Other expenses and adjustments	1, 361, 711	. 79	884, 202	. 71	214, 500	. 51	121, 185	8. 49	141, 294	2. 86	530	. 29
Total operating expenditures	42, 660, 594	24. 76	29, 509, 237	23. 83	11, 172, 013	26. 65	469, 223	32. 86	1, 484, 405	29. 98	25, 716	13. 97
Total residual receipts	11, 990, 358	6. 96	7, 876, 478	6. 36	3, 794, 143	9. 05	151, 378	10. 60	148, 606	3. 00	19, 753	10. 73
Less amounts applied to reduction of future annual contributions (PL-412 projects) or advance amortization (PL-671 projects)	1, 719, 625	1. 00	243, 116	. 20	1, 476, 509	3. 52			[2] 59, 287	1. 20	[2] [3] 59, 287	[3] 32. 20
Net residual receipts avilable for reduction of current year annual contributions	10, 270, 733	5. 96	7, 633, 362	6. 16	2, 317, 634	5. 53	151, 378	10. 60	89, 319	1. 80	79, 040	42. 93

[1] Does not include 72 permanently financed projects which have not reached the operating stage.
[2] Represents excess earnings from 2 projects developed under PL-671 and combined with new PL-171 projects under new contracts, with the residual receipts applied to the operations of the new projects. [3] Indicates negative item.

TABLE 16A.—*Statement of accrued annual contributions for all locally owned projects eligible for contributions in fiscal year ended June 30, 1952*

	All locally owned projects	Projects developed under PL-412			Projects developed under PL-671			Projects developed and financed under PL-171 (Housing Act of 1949)		
		Total	Financed under		Total	Financed under		Total	Projects in operation	Projects which have not reached the operating stage
			Housing Act of 1937	Housing Act of 1949		Housing Act of 1937	Housing Act of 1949			
Number of projects	583	342	341	1	164	153	11	77	5	72
Number of dwelling units	156,396	104,486	103,296	1,190	39,017	34,953	4,064	12,893	363	12,530
Maximum annual contributions for projects eligible for contributions	$26,251,358	$15,176,883	$14,660,451	$516,432	$5,950,126	$5,290,127	$659,999	$5,124,349	$194,470	$4,929,879
Less amounts available for reduction of annual contributions:										
Accrued interest	468,796	46,802		46,802	40,085		40,085	381,909	20,665	361,244
Capitalized interest	264,865							264,865	15,806	249,059
Excess of maximum annual contributions over debt service requirements while in temporary financing	2,329,756				2,329,756	2,329,756				
Excess earnings from previous years	351,221	351,221	351,221							
Net residual receipts	10,270,733	7,784,740	7,633,362	151,378	2,406,953	2,317,634	89,319	79,040	79,040	
Total	13,685,371	8,182,763	7,984,583	198,180	4,776,794	4,647,390	129,404	725,814	115,511	610,303
Annual contributions actually accrued in fiscal year ended June 30, 1952	12,565,987	6,994,120	6,675,868	318,252	1,173,332	642,737	530,595	4,398,535	78,959	4,319,576

TABLE 17.—*Statement of income and expenses and per unit month of availability for family dwelling projects in the public war housing program, for the fiscal year ended June 30, 1952* [1]

	Total projects		Directly operated projects		Leased projects	
Number of projects	618		192		426	
Number of dwelling units	[2] 228,628		84,406		144,222	
Number of dwelling unit months of operation	2,742,275		1,013,013		1,729,262	
	Amount	Per unit month	Amount	Per unit month	Amount	Per unit month
Income:						
Rentals:						
Dwellings	$101,919,064	$37.17	$36,828,745	$36.36	$65,090,319	$37.64
Less vacancy loss	3,375,771	1.23	696,144	.69	2,679,627	1.55
Dwellings (net)	98,543,293	35.94	36,132,601	35.67	62,410,692	36.09
Other	4,101,560	1.49	1,600,552	1.58	2,501,008	1.45
Other	814,194	.29	219,863	.21	594,331	.34
Total income	103,459,047	37.72	37,953,016	37.46	65,506,031	37.88
Expenses:						
Operating expenses:						
Management	9,578,735	3.49	3,274,366	3.23	6,304,369	3.64
Operating services	1,961,015	.72	465,420	.46	1,495,595	.86
Dwelling and commercial utilities	18,012,435	6.57	6,409,620	6.32	11,602,815	6.71
Repairs, maintenance and replacements	25,598,700	9.33	8,506,626	8.40	17,092,074	9.88
Public services	3,829,625	1.40	1,580,837	1.56	2,248,788	1.30
Payments in lieu of taxes	12,572,634	4.58	4,345,129	4.29	8,227,505	4.76
Other	2,485,431	.91	316,696	.31	2,168,735	1.26
Total operating expenses	74,038,575	27.00	24,898,694	24.57	49,139,881	28.41
Nonoperating expenses:						
Operating improvements	383,546	.14	180,011	.18	203,535	.12
Other	111,228	.04	8,623	.01	102,605	.06
Total nonoperating expenses	494,774	.18	188,634	.19	306,140	.18
Collection losses—accounts receivable written off	178,749	.06	58,592	.06	120,157	.07
Total expenses	74,712,098	27.24	25,145,920	24.82	49,566,178	28.66
Net operating income	28,746,949	10.48	12,807,096	12.64	15,939,853	9.22
Casualty losses—cost of replacements	61,075	.02	24,376	.02	36,699	.02
Net income for the fiscal year ended June 30, 1952	28,685,874	10.46	12,782,720	12.62	15,903,154	9.20

PUM less than $.005 not reflected.

[1] Does not include 9 dormitory and 13 stopgap projects, and 66 family dwelling projects which were inactive or partly active at June 30, 1952.
[2] Represents the number of dwelling units active at June 30, 1952.

TABLE 18—*Statement of administrative expenses by object and source of funds for the fiscal year ended June 30, 1952*

Object of expense:		
Personal services:		
Personal services		$10, 593, 435
Terminal leave		77, 551
		10, 670, 986
Less reimbursements for personal services		31, 498
Total personal services		10, 639, 488
Travel:		
Regular		878, 424
Convention		5, 119
Total travel		883, 543
Transportation of things		42, 013
Communication services		290, 406
Rents and utility services		856, 908
Printing and binding		110, 780
Other contractual services		214, 845
Supplies and materials		145, 727
Furniture, furnishings and equipment		[1] 135, 606
Refunds, awards and indemnities		546
Taxes and assessments		13, 378
Total obligations for administrative expenses		13, 333, 240
Funds allotted but not obligated		116, 760
Total allotted from operating programs		13, 450, 000
Sources of funds:		
United States Housing Act program:		
Development	$6, 200, 000	
Management	3, 120, 000	
		9, 320, 000
Public war housing program		
Management	2, 598, 000	
Disposition	705, 000	
Defense housing:		
Development	350, 000	
Management	10, 000	
		3, 663, 000
Homes conversion program, liquidation expenses		83, 000
Veterans reuse housing program		257, 000
Subsistence homesteads and greentowns program:		
Management	57, 000	
Disposition	70, 000	
		127, 000
Total		13, 450, 000

[1] Does not include expenditures of $4,636 for new equipment purchased with the proceeds from sale of similar equipment.

Sources of funds—Continued	
Unallotted funds	$154, 700
Total apportionments	13, 604, 700
Non-expendable reserve	300, 000
Total administrative expense limitation	13, 904, 700
Appropriated funds:	
United States Housing Act program	10, 040, 900
Less amount to be returned to United States Treasury	720, 900
Net appropriation from United States Housing Act program	9, 320, 000
Defense housing program	350, 000
Total appropriated funds	9, 670, 000
Funds derived from operation of programs	3, 934, 700
Total apportionments	13, 604, 700